

## ***GOVERNANCE, STRATEGY AND RESOURCES SCRUTINY BOARD Agenda***

Date Thursday 5<sup>th</sup> October 2023

Time 6.00 pm

Venue Crompton Suite, Civic Centre, West Street, Oldham, OL1 1NL

- Notes
1. DECLARATIONS OF INTEREST- If a Member requires advice on any item involving a possible declaration of interest which could affect his/her ability to speak and/or vote he/she is advised to contact Paul Entwistle or Peter Thompson at least 24 hours in advance of the meeting.
  2. CONTACT OFFICER for this agenda is Peter Thompson, telephone 0161 7705151, or email [peter.thompson@oldham.gov.uk](mailto:peter.thompson@oldham.gov.uk)
  3. PUBLIC QUESTIONS - Any Member of the public wishing to ask a question at the above meeting can do so only if a written copy of the question is submitted to the contact officer by 12.00 noon on Monday, 2<sup>nd</sup> October 2023.
  4. FILMING - The Council, members of the public and the press may record/film/photograph or broadcast this meeting when the public and the press are not lawfully excluded. Any member of the public who attends a meeting and objects to being filmed should advise the Constitutional Services Officer who will instruct that they are not included in the filming.

Please note that anyone using recording equipment both audio and visual will not be permitted to leave the equipment in the room where a private meeting is held.

Recording and reporting the Council's meetings is subject to the law including the law of defamation, the Human Rights Act, the Data Protection Act and the law on public order offences.

Please also note the Public attendance Protocol on the Council's Website

[https://www.oldham.gov.uk/homepage/1449/attending\\_council\\_meetings](https://www.oldham.gov.uk/homepage/1449/attending_council_meetings)

MEMBERSHIP OF THE GOVERNANCE, STRATEGY AND RESOURCES  
SCRUTINY BOARD

Councillors Al-Hamdani, Hobin, A Hussain, J. Hussain, McLaren (Chair),  
Moores, Surjan and Woodvine

Item No

- 1 Apologies For Absence
- 2 Urgent Business  
Urgent business, if any, introduced by the Chair
- 3 Declarations of Interest  
To Receive Declarations of Interest in any Contract or matter to be discussed at the meeting.
- 4 Public Question Time  
To receive Questions from the Public, in accordance with the Council's Constitution.
- 5 Minutes (Pages 1 - 8)  
The Minutes of the Governance, Strategy and Resources Scrutiny Board held 22<sup>nd</sup> June 2023, are attached for approval.
- 6 Local Government and Social Care Ombudsman Annual Review of Complaints 2022/23 (Pages 9 - 18)  
To update the Scrutiny Board about Council performance in relation to enquiries received from the Local Government and Social Care Ombudsman (LGSCO) in the financial year 2022/23.
- 7 Performance Management Framework and an update on Quarter 1 measures  
Report to follow
- 8 Treasury Management Review 2022/23 (Pages 19 - 42)  
The report provides the annual treasury management review of activities and the actual prudential and treasury indicators for 2022/23.
- 9 Treasury Management Quarter One Report 2023/24 (Pages 43 - 64)  
A report that provides members with the opportunity to review the performance of the Treasury Management function of the Council for the first quarter of 2023/24.
- 10 Revenue Monitor and Capital Investment Programme 2023/24: Quarter 1: April - June 2023 (Pages 65 - 118)  
To provide an update as at 30<sup>th</sup> June 2023 of the Council's 2023/24 forecast revenue budget position and the financial position of the capital programme together with the revised capital programme 2023/24 to 2027/28.
- 11 Work Programme (Pages 119 - 122)

To note and comment on the Committee's Work Programme 2023/24

12 Key Decision Document (Pages 123 - 136)

Key Decision Document published 28 days prior to the Cabinet meeting to be held on 16<sup>th</sup> October 2023

13 Rule 13 and 14

To consider any rule 13 or 14 decisions taken since the previous meeting.

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**Present:** Councillor McLaren (Chair)  
Councillors Al-Hamdani, Hobin, J. Hussain, Jabbar, Moores,  
Surjan and Woodvine

Also in Attendance:

Shelley Kipling	Assistant Chief Executive
Vikki Morris	Assistant Director of HR and OD
Paul Rogers	Constitutional Services
Mark Stenson	Assistant Director of Corporate Governance and Strategic Financial Management

1           **APPOINTMENT OF VICE-CHAIR**

**RESOLVED** - That Councillor Moores be appointed as Vice-Chair of the Governance, Strategy and Resources Scrutiny Board for the 2023/24 Municipal Year.

2           **MINUTES OF PREVIOUS MEETING**

**RESOLVED** that the minutes of the meeting of the Performance Overview and Scrutiny Committee meeting held on 23 March 2023 be noted.

3           **APOLOGIES**

There were no apologies for absence.

4           **DECLARATION OF INTERESTS**

There were no declarations of interest.

5           **URGENT BUSINESS**

There were no items of urgent business received.

6           **PUBLIC QUESTION TIME**

There were no public questions for the Board to consider.

7           **TERMS OF REFERENCE**

**Resolved** that the terms of reference be noted.

8           **A COUNCILLORS WORKBOOK ON SCRUTINY OF FINANCE**

Consideration was given to A Councillor's Workbook on Scrutiny of Finance produced by the Local Government Association (LGA). The Workbook has been designed as a learning aid for local Councillors. It is intended to provide Councillors with insight and assistance and to develop key skills which will help to be most effective in the role of a Councillor.

**Resolved** that the LGA Councillor's Workbook on Scrutiny of Finance be noted.

## WORK BOOK ON SCRUTINY

Consideration was given A Councillor's Workbook on Scrutiny produced by the Local Government Association (LGA) which is designed as a learning aid for Councillors. The LGA consider that the Workbook serves as a useful tool for some of the key skills, approaches and tactics that make for an effective ward Councillor.

**Resolved** that the Councillor's Workbook on Scrutiny produced by the Local Government Association be noted.

## CORPORATE PERFORMANCE REPORT 2022/23 FOR QUARTER 4 - 1 JANUARY TO 31 MARCH 2023

The Committee Scrutinised a report which presented a review of the Council performance for the fourth quarter of 2022/23 (1 January 2023 to 31 March 2023). The Committee was invited to examine areas on under performance and where appropriate recommend remedial action. The Committee was asked to note the areas of good performance.

The overview and scrutiny of performance aims to provide assurance that:

- our business plan priorities are aligned to the needs of our residents
- our services are good or are on track to good
- any services that are not on track, or have identified risks, are being supported or challenged to rectify this
- demand indicators are being noted and service provision assessed accordingly.

The purpose of this report is to provide an overview of performance against business plan priorities for the period 1<sup>st</sup> January to 31<sup>st</sup> March 2023 (Quarter 4) and where applicable the End of Year targets.

The report refers throughout to the dashboards and infographics provided as Appendix A of the report.

Appendix B of the report comprises the response to a query raised at the March meeting of the Performance Overview & Scrutiny Committee.

Annual business plans ran from 1<sup>st</sup> April 2022 to 31<sup>st</sup> March 2023; it is now year-end. The business plans included a range of actions and measures across all our services aimed at achieving the aspirations of the Corporate Plan and putting our residents first.

The [Corporate Plan](#) 2022/27 was approved by Cabinet in September 2022; going forward our business plans will be closely aligned to the priorities set out in the Plan and will run from 1<sup>st</sup> April 2023 to 31<sup>st</sup> March 2027.

Business plans are kept under review by services and can be influenced by both internal and external factors including increased demand, reduction in resources, changes in legislation or policies.

Members were advised that it is important that our performance is viewed in the context of our borough, the demand for our services and the resources available to us.

The Council needs to monitor and plan for the impact of both internal influences (e.g., staff capacity) and external factors (e.g., increased demand due to increased cost of living) on all its services.

Members were informed that

- 89% (163/184) of actions are on track or completed
- 71% (103/145) of risks are low, very low or closed; less than 2% (2/145) are high
- 79% (41/52) of targeted measures are on or within target
- 69% (36/52) of measures with end of year targets are predicted to achieve them.
- The report sets out in a chart showing End of Year Actions, Risks and Measures. Members noted that 0 measures, 3 actions & 5 risks have not been updated by the service. These figures are as expected for the end of the reporting year.

The Board was informed that each business plan measure is aligned to one of the five corporate priorities or is designated as a service specific measure.

The infographic on page 3 of Appendix A of the report gives an overview of progress against each priority and shows we are on track in most areas; the quality homes targets met their end of year outputs in full.

Pages 4 to 14 of Appendix A of the report give an overview of progress against business plan measures within each service area (sorted alphabetically).

The report provides a performance measure breakdown that includes:

- trend or polarity (based on previous 3 years)
- quarterly RAG (red/ amber/ green) rating for current year
- End of Year (EOY) target & RAG rating (to reflect final EOY figures)
- benchmarking information & its source where available or applicable.

The summary set out in paragraph 5.2 and Appendix A of the report addresses issues raised when Corporate Performance was last reported to the Performance Overview and Scrutiny Committee in March 2023. It aims to give the overall health of each service, the quality of services and timeliness of each service.

A Member referred to the disparity in the reporting system of street light information on the Council's website. It was emphasised that access to individual street lights on the website indicated that some lights were faulty whilst accessing those street lights via an area on the website indicated that those street lights had been repaired. The Member had reported this problem to the appropriate officers in March 2023 and no response was received on the issue.

Shelly Kipling advised that she would investigate the matter and formally respond to the Member.

Members made reference to some of the other performance measure percentages shown in Appendix A of the report which seemed to be contradictory or confusing.

In response to the reference by Members to the performance measures and the vagueness of the information shown in the Summary comments in paragraph 5.2 of the report, the Board was informed that the Council uses the CorVu system to generate the performance management reports. From October 2023 the system will be decommissioned by the Council. It is no longer supported by the provider. This will be the final report generated by the system. The Board was advised that Power BI would be the new model of reporting performance management and is in the process of replacing CorVu for this process. The new model will incorporate a more detailed Summary (shown in Paragraph 5.2 of the report) with explanations and reasoning associated with the red, amber and green indicators shown in Appendix A of the report which can be confusing in the current reporting format. Benchmarking where appropriate would also be included. The new system will be simpler and easier to understand from a Member viewpoint and for the public on the website.

The Chairman suggested that to enable more detailed scrutiny on the various sectors of the report, the report could be restructured in future so that the Board can consider fewer sectors of the report which will allow sectors to be considered in detail at scheduled meetings throughout the year. There was also the suggestion that officers responsible for those sectors could be requested attend those meetings.

The Board was informed that it would be useful and informative for Board Members to attend a training session for a short period prior to the next Board meeting with regard to the new Power BI system of reporting and how this will translate and report Corporate Performance. The Chairman requested Members to identify areas of performance measures shown in Appendix A to the report to enable specific focus on these areas at training.



**Resolved that**

(1) the progress made in implementing the 2022/23 business plan objectives be noted;

(2) the Board notes the comments on progress, in particular the narrative that relates to any red measures;

(3) for future meetings of the Board, the Corporate Performance report be restructured so that the Board can consider fewer sectors of the report which will allow those sectors to be considered in detail at scheduled meetings throughout the year with appropriate officers being requested to attend those meetings; and

(4) a training session be held for Board Members for a short period prior to the next Board meeting with regard to the new Power BI system of reporting and how this will translate and report Corporate Performance.

11

**ABSENCE TRENDS ACROSS THE AUTHORITY**

The Board received a presentation from Vikki Morris, Assistant Director of Human Resources and Organisational Development, giving details on Workforce Absence Trends across Oldham Council.

Members were informed that

- Sickness trends back to pre-pandemic levels
- Reasons for short term and long term remains similar as it has been previously
- We are seeing greater complexity with cases – requiring more specialised skills to support and manage cases
- Number of staff in the workplace with at least 1 long term condition is increasing

Members attention was drawn to the programme of support the Council provides to staff, known as Wellbeing Matters. This covers physical, mental and lifestyle wellbeing support. Employees have access to advice, support and counselling from an external provider, as well as a new wellbeing app which focuses on preventative and holistic wellbeing for staff. Members were made aware of digital assessments, educational guides and interactive health tools to motivate and inspire staff. The App is offered to Agency staff.

Members noted the following table for Employee Assistance Programme (EAP)

## EAP Usage 1<sup>st</sup> October to 31<sup>st</sup> December 2022

Service Usage	Oldham
Total Calls	52
Total Live Chats	58
Telephone Counselling/ Advice	52
Telephone 1 <sup>st</sup> Appointment	12
Telephone Additional Sessions	27
Face to Face 1 <sup>st</sup> Appointment	1
Face to Face Additional Sessions	0
Legal Advice	1
Web Pages Viewed	402
None EAP Calls	0

Members noted statistics relating to call topics and occupational health referrals during 2022; data on the latter was shown against other authorities in Greater Manchester.

In response to a query, Members were informed that initially there was a nervousness amongst staff coming back into the office post Covid. Hybrid working is, however, encouraged where work allows but staff are encouraged to work from the office at least 2 or 3 days a week.

Members were informed that staff can take up their health concerns with their manager, either through daily conversations or via appraisals.

Vikki Morris advised that comparative rates of sickness showing if the rates are increasing or decreasing are used. Also Oldham Council sickness rates can be measured against rates given by the Office of National Statistics.

The Board noted that the Council has trained 70 members of staff as mental health first aiders.

Resolved that

- (1) The Workforce Absence Trends presentation be received and noted; and
- (2) Vikki Morris be thanked for her very informative presentation.

**GOVERNANCE STRATEGY AND RESOURCES WORK PROGRAMME 2023/24**

The Board considered the Governance Strategy and Resources Work Programme for 2023/24.

Members were informed that previously the work programme had been splintered over the various Scrutiny Committees so that there was a need refine a programme so that the programme aligns with the terms of reference for the Board.

The Chairman also emphasised that the programme needed to be reviewed and he and the Vice-Chairman would forward a refined version to Board Members prior to the next meeting.

The Chairman drew attention to the number of Board meetings for 2023/24 which restricted how work programme items can be properly scrutinised. It would be his intention to increase the number of meetings in the 2024/25 Calendar of Meetings when that Calendar is considered in December this year.

**Resolved** that a revised draft Work Programme for 2023/24 be circulated at the next scheduled Board meeting.

**KEY DECISION DOCUMENT**

Consideration was given to the Key Decision Document covering Decisions taken from 19 May 2023.

**Resolved** that the Key Decision Document covering decisions taken from 19 May 2023 be noted.

The meeting started at 6.00 pm and ended at 7.45 pm

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**Report to Governance, Strategy and Resources Scrutiny Board**

## **Local Government and Social Care Ombudsman Annual Review of Complaints 2022/23**

**Portfolio Holder:** Councillor Abdul Jabbar MBE, Cabinet Member  
for Finance and Corporate Resources

**Officer Contact:** Anne Ryans, Director of Finance  
Paul Entwistle, Director of Legal Services

**Report Author:** Kirsty Adderley, Complaints Manager  
Ext. 0161 770 0400

**5 October 2023**

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### **Purpose of the Report**

To update the Governance, Strategy and Resources Scrutiny Board about Council performance in relation to enquiries received from the Local Government and Social Care Ombudsman (LGSCO) in the financial year 2022/23

### **Executive Summary**

The LGSCO received 59 complaints/ enquiries relating to Oldham Council in 2022/23, a slight increase from 55 in 2021/22. Despite the increase, the overall number of contacts the LGSCO received regarding Oldham remains relatively low.

In total, the LGSCO issued 53 decisions relating to Oldham Council in 2022/23. The majority of cases were not taken forward for detailed investigation but of the 6 cases that were taken forward, fault was found in 2 cases, giving an upheld rate of 33%.

The LGSCO's Annual Review showed that in 2022/23, the overall upheld rate for Metropolitan Authorities increased from 68% to 77%. However, Oldham Council's upheld rate reduced significantly from 76% to 33%. On average, Greater Manchester (GM) Authorities had an average upheld rate of 70%.

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## **Recommendations**

It is recommended that Members consider the report and comment as appropriate.

**Local Government and Social Care Ombudsman Annual Review of Complaints 2022/23**

**1 Background**

1.1 The Council deals with complaints about the services it provides according to the requirements of five different sets of legislation:

- The Local Government Act 1974 - Corporate complaints
- The Children Act 1989 - Children's Social Care complaints
- The Local Authority Social Services and NHS Complaints Regulations 2009 - Adult Social Care complaints
- The Housing Act 1996 - Housing complaints
- The Localism Act 2011 - Housing complaints

1.2 Corporate complaints, Adults Social Care complaints and Children's Social Care complaints have the Local Government and Social Care Ombudsman (LGSCO) as the last stage in the process. The Ombudsman's role is to enquire into cases where the Council and the complainant still do not agree after the Local Authority's complaints procedure has been exhausted and the complainant still wants the case to be reviewed.

1.3 Each year, the results of the LGSCO Annual Review of Complaints and the Council's performance in this regard is submitted for scrutiny. It is the role of the Governance, Strategy and Resources Scrutiny Board to consider this information and this meeting is the first available meeting to consider this information.

**2 National Perspective**

2.1 In July 2023, the LGSCO published the Annual Review of Complaints for 2022/23. The review highlighted that nationally, the number of complaints the LGSCO received had reduced from 15,826 in 2021/22 to 15,488 in 2022/23. Of the complaints considered by the Ombudsman in the year, the response was agreed as follows:

- in 5,714 cases after an initial check of information;
- in 6,015 cases following an initial investigation; and
- in 4,089 cases following a detailed investigation. Of those cases that were subject to a detailed investigation, 3,035 complaints were ultimately upheld.

2.2 The Annual Review of Complaints highlights that the LGSCO has been prioritising cases where it is in the public interest to investigate and explains that fewer investigations have been carried out into 'borderline' issues. As a result, a higher proportion of complaints have been upheld nationally (74%).

2.3 The report showed that in 2022/23, the upheld rate for Metropolitan Authorities increased from 68% to 77%.

2.4 The LGSCO's upheld rate increased across all service areas but most notably there was an increase in the percentage of complaints upheld regarding Benefits and Taxation (an increase from 59% in 2021/22 to 79% in 2022/23).

2.5 The LGSCO continued to uphold the highest proportion of complaints in relation to Education and Children's Services (84%).

- 2.6 The LGSCO advises that compliance with recommendations remains high and commends Local Authorities for their commitment to significant service changes.
- 2.7 The LGSCO has stressed the importance of investment in complaint functions in order to attend to the experience of residents and achieve good outcomes.
- 2.8 The LGSCO is working with the Housing Ombudsman to produce a joint complaint handling Code of Practice, which will provide a standard for Local Authorities to work to. The LGSCO aims to consult on the Code and its implications later in the year.
- 2.9 In addition to the Annual Review of Complaints, the LGSCO writes to each Local Authority's Chief Executive every year to set out the Council's annual performance in handling complaints. This is a useful starting point for Members to scrutinise performance. An interactive map setting out each Council's performance is also available on the LGSCO website. The letter sent to Oldham's Chief Executive is attached at Appendix 1. In addition, annual letters to the Chief Executive and details of the Council's performance can be found on the LGSCO website at <https://www.lgo.org.uk/your-councils-performance>
- 2.10 The LGSCO is clear that the number of complaints and enquiries received should not be taken in isolation when reviewing a Local Authority's performance as this number can be affected by factors such as demographics, local conditions, the expectations of residents and the quality of signposting.
- 2.11 The number of complaints that are upheld by the LGSCO and the upheld rate (i.e. how often fault is found when a complaint is investigated), as well as the Council's willingness to accept fault and put things right are other factors to be considered.

### 3 Regional Perspective

- 3.1 Table 1 compares the number of complaints and enquiries received by the LGSCO relating to Oldham Council to that of the other Greater Manchester (GM) Authorities in 2021/22 and 2022/23.

**Table 1 – GM Authorities 2021/22 and 2022/23 - Total Complaints and Enquiries Received by the LGSCO**

Authority	Complaints and Enquiries 2021/22	Complaints and Enquiries 2022/23
Rochdale	30	54
<b>Oldham</b>	<b>55</b>	<b>59</b>
Trafford	75	60
Wigan	62	62
Tameside	74	63
Bolton	66	64
Stockport	97	65
Bury	68	72
Salford	63	78
Manchester	134	148
<b>Total</b>	<b>724</b>	<b>725</b>
<b>Average</b>	<b>72</b>	<b>73</b>



- 3.2 The number of enquiries/ complaints received by the LGSCO regarding Oldham Council continues to be low compared to other GM Authorities as highlighted in Table 1.
- 3.3 The LGSCO receives and decides some cases in different business years; as such, the decisions issued in 2022/23 will relate to some complaints the LGSCO received in 2022/23 and some it received in previous years.
- 3.4 Five of the ten GM Authorities saw an increase in the number of upheld cases in 2022/23. There was a significant decrease in the number of upheld cases against Oldham, with 2 upheld decisions being issued compared to 13 in 2021/22. Oldham Council saw the lowest number of upheld decisions out of all GM Authorities.
- 3.5 Six of the ten GM Authorities saw an increase in the percentage of cases being upheld following detailed investigation by the LGSCO. In comparison, Oldham Council saw a significant decrease in its upheld rate, with its upheld rate of 33% being the lowest out of all GM Authorities.

**Table 2 – GM Authorities - Upheld Cases 2022/23**

Authority	Number Investigated	Number of Cases Not Upheld	Number of Cases Upheld	Upheld Rate %
Oldham	6	4	2	33
Rochdale	8	5	3	38
Manchester	36	14	22	61
Trafford	21	7	14	67
Salford	9	2	7	78
Tameside	19	4	15	79
Wigan	15	3	12	80
Stockport	22	3	19	86
Bury	25	3	22	88
Bolton	18	1	17	94
<b>Total</b>	<b>179</b>	<b>46</b>	<b>133</b>	<b>704</b>
<b>Average</b>	<b>18</b>	<b>5</b>	<b>13</b>	<b>70</b>

#### 4 Local Perspective

- 4.1 The Council works hard to resolve complaints at an early stage in the complaints process to avoid the need for residents to pursue issues further. The lower percentage of complaints that go onto be investigated and upheld by the LGSCO, when compared to the number of complaints received by the Council, suggests that the Council is willing to take responsibility when things go wrong and work with residents to resolve the issue appropriately.
- 4.2 In 2022/23, Oldham Council saw a decrease in both the number of upheld cases and the overall upheld rate. Oldham Council's upheld rate was 33%; in its Annual Review of Complaints, the LGSCO highlighted that nationally, the average upheld rate for Metropolitan Authorities was 77% and when looking at GM Authorities, the average upheld rate was 70%.
- 4.3 Table 3 below shows the services against which decisions were issued following detailed investigation by the LGSCO.

**Table 3 – Oldham Council Upheld Cases 2022/23**

<b>Service</b>	<b>Number of Cases upheld</b>	<b>Number of Cases not upheld</b>
Children’s Services	1	1
Adult Social Care	1	1
Highways	0	1
Housing	0	1
<b>Total</b>	<b>2</b>	<b>4</b>

- 4.4 Of the upheld decisions, 1 related to a school admission appeal hearing held in the year 2022/23 and 1 related to an Adult Social Care complaint that was responded to by the Council in 2021/22.
- 4.5 The LGSCO is satisfied that the Council has implemented the recommendations it made in both cases (100%).
- 4.6 Table 4 sets out the total number of complaints received by Oldham Council and the number of complaints and enquiries that were received by the LGSCO in 2022/23. It should be noted that not all complaints and enquiries received by the LGSCO progressed to the detailed investigation stage.

**Table 4 - The Number of LGSCO Enquiries and Oldham Council Complaints 2022/23**

<b>Oldham Council Complaints</b>	<b>Complaints received by Oldham Council in 2022/23</b>	<b>Complaints/enquiries received by the LGSCO</b>
Number	543	59
Percentage	100%	11%

- 4.7 A snapshot of the decisions made by the LGSCO in respect of Oldham Council is set out at Table 5.

**Table 5 - LGSCO Decisions made concerning Oldham Council**

<b>Invalid or incomplete</b>	<b>Advice given</b>	<b>Referred back for local resolution</b>	<b>Closed after initial enquiries</b>	<b>Not upheld</b>	<b>Upheld</b>	<b>Total</b>	<b>Upheld rate (%)</b>	<b>Average upheld rate (%) of similar Authorities</b>
4	2	23	18	4	2	<b>53</b>	33%	77%

- 4.8 All customer feedback is important to the Council. In addition to 543 complaints, the Council’s Complaints Team also recorded 161 compliments.
- 4.9 In addition, the Complaints Team recorded 2,252 service requests, 109 Children’s Services representations and 18 safety/ safeguarding concerns; the Complaints Team works with services to help resolve such contacts to customers’ satisfaction at the earliest opportunity to prevent escalation.

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## **5 Improving the Complaints Service**

5.1 The Complaints Team is constantly striving to improve its performance and has taken a range of actions in order to demonstrate progress. These actions are set out below:

- The Complaints Team has developed a training package (delivered in the form of a briefing session) for staff that are involved in investigating and responding to complaints. This briefing session has been well received so far. The Complaints Team will continue to roll out the briefing session to all relevant staff in the coming months.
- Quality checks of responses drafted by services and by the Complaints Team continue to be undertaken and feedback provided.
- Representatives from the Complaints Team continue to attend the North West Complaints Forum where good practice is shared.
- Representatives from the Complaints Team continue to attend workshops/conferences organised by the LGSCO.
- The Complaints Manager regularly attends Quality Improvement Group meetings for Children's Social Care.
- The Complaints Manager regularly attends Customer Experience meetings for Adult Social Care.
- The Complaints Team produces regular update reports for services to help improve timeliness and provide an oversight of ongoing complaints for senior managers.
- Where focus reports are issued by the LGSCO, the Complaints Team works with relevant Directors to identify possible implications for the Council.

### **6.0 Further information**

6.1 The LGSCO has moved away from a focus on the volume of complaints and pays more attention to the lessons that can be learned from complaints and the wider improvements that can be achieved for residents and this is now more widely publicised.

6.2 The LGSCO is keen that scrutiny Members play an active role in holding their Local Authority to account on complaints and has created a wide range of information to support scrutiny Members to carry out the scrutiny function for complaints handling. This can be found at <https://www.lgo.org.uk/for-advisors/scrutiny>

### **7.0 Conclusion**

7.1 Although the figure should not be treated in isolation, a relatively low number of complaints / enquiries were received by the LGSCO in relation to Oldham Council in 2022/23. Additionally, both the number of upheld cases and the upheld rate have reduced and these figures are lower than average for similar Authorities, both nationally, and across Greater Manchester.

7.2 The Complaints Team will continue to work with services in order to provide good quality responses to residents at the earliest opportunity.

### **8.0 Recommendation**

8.1 It is recommended that Governance, Strategy and Resources Scrutiny Committee considers the report and comments as appropriate.

## **9 Appendices**

9.1 Appendix 1 - Oldham Council Annual Review Letter 2023

Local Government &  
Social Care  
**OMBUDSMAN**

19 July 2023

*By email*

Mr Catherall  
Chief Executive  
Oldham Metropolitan Borough Council

Dear Mr Catherall

**Annual Review letter 2022-23**

I write to you with your annual summary of complaint statistics from the Local Government and Social Care Ombudsman for the year ending 31 March 2023. The information offers valuable insight about your organisation's approach to complaints. As always, I would encourage you to consider it as part of your corporate governance processes. As such, I have sought to share this letter with the Leader of your Council and Chair of the appropriate Scrutiny Committee, to encourage effective ownership and oversight of complaint outcomes, which offer such valuable opportunities to learn and improve.

The end of the reporting year, saw the retirement of Michael King, drawing his tenure as Local Government Ombudsman to a close. I was delighted to be appointed to the role of Interim Ombudsman in April and look forward to working with you and colleagues across the local government sector in the coming months. I will be building on the strong foundations already in place and will continue to focus on promoting improvement through our work.

**Complaint statistics**

Our statistics focus on three key areas that help to assess your organisation's commitment to putting things right when they go wrong:

**Complaints upheld** - We uphold complaints when we find fault in an organisation's actions, including where the organisation accepted fault before we investigated. We include the total number of investigations completed to provide important context for the statistic.

Over the past two years, we have reviewed our processes to ensure we do the most we can with the resources we have. One outcome is that we are more selective about the complaints we look at in detail, prioritising where it is in the public interest to investigate. While providing a more sustainable way for us to work, it has meant that changes in uphold rates this year are not solely down to the nature of the cases coming to us. We are less likely to carry out investigations on 'borderline' issues, so we are naturally finding a higher proportion of fault overall.

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Our average uphold rate for all investigations has increased this year and you may find that your organisation's uphold rate is higher than previous years. This means that comparing uphold rates with previous years carries a note of caution. Therefore, I recommend comparing this statistic with that of similar organisations, rather than previous years, to better understand your organisation's performance.

**Compliance with recommendations** - We recommend ways for organisations to put things right when faults have caused injustice and monitor their compliance with our recommendations. Failure to comply is rare and a compliance rate below 100% is a cause for concern.

**Satisfactory remedy provided by the authority** - In these cases, the organisation upheld the complaint and we were satisfied with how it offered to put things right. We encourage the early resolution of complaints and credit organisations that accept fault and find appropriate ways to put things right.

Finally, we compare the three key annual statistics for your organisation with similar authorities to provide an average marker of performance. We do this for County Councils, District Councils, Metropolitan Boroughs, Unitary Councils, and London Boroughs.

Your annual data, and a copy of this letter, will be uploaded to our interactive map, [Your council's performance](#), on 26 July 2023. This useful tool places all our data and information about councils in one place. You can find the detail of the decisions we have made about your Council, read the public reports we have issued, and view the service improvements your Council has agreed to make as a result of our investigations, as well as previous annual review letters.

#### **Supporting complaint and service improvement**

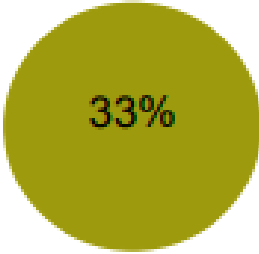
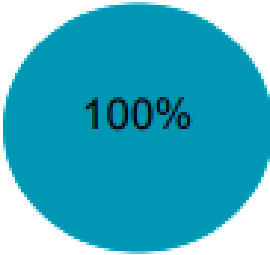
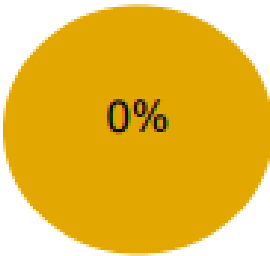
I know that complaints offer organisations a rich source of intelligence and insight that has the potential to be transformational. These insights can indicate a problem with a specific area of service delivery or, more broadly, provide a perspective on an organisation's culture and ability to learn. To realise the potential complaints have to support service improvements, organisations need to have the fundamentals of complaint handling in place. To support you to do so, we have continued our work with the Housing Ombudsman Service to develop a joint complaint handling code that will provide a standard for organisations to work to. We will consult on the code and its implications prior to launch and will be in touch with further details.

In addition, our successful training programme includes practical interactive workshops that help participants develop their complaint handling skills. We can also offer tailored support and bespoke training to target specific issues your organisation might have identified. We delivered 105 online workshops during the year, reaching more than 1350 people. To find out more visit [www.lgo.org.uk/training](http://www.lgo.org.uk/training) or get in touch at [training@lgo.org.uk](mailto:training@lgo.org.uk).

Yours sincerely,



Paul Najsarek  
Interim Local Government and Social Care Ombudsman  
Interim Chair, Commission for Local Administration in England

Complaints upheld		
 <p>33%</p>	<p><b>33%</b> of complaints we investigated were upheld.</p> <p>This compares to an average of <b>77%</b> in similar organisations.</p>	<p><b>2</b> upheld decisions</p> <p>Statistics are based on a total of <b>6</b> investigations for the period between 1 April 2022 to 31 March 2023</p>
Compliance with Ombudsman recommendations		
 <p>100%</p>	<p>In <b>100%</b> of cases we were satisfied the organisation had successfully implemented our recommendations.</p> <p>This compares to an average of <b>99%</b> in similar organisations.</p>	<p>Statistics are based on a total of <b>2</b> compliance outcomes for the period between 1 April 2022 to 31 March 2023</p>
<ul style="list-style-type: none"> <li>Failure to comply with our recommendations is rare. An organisation with a compliance rate below 100% should scrutinise those complaints where it failed to comply and identify any learning.</li> </ul>		
Satisfactory remedy provided by the organisation		
 <p>0%</p>	<p>In <b>0%</b> of upheld cases we found the organisation had provided a satisfactory remedy before the complaint reached the Ombudsman.</p> <p>This compares to an average of <b>10%</b> in similar organisations.</p>	<p><b>0</b> satisfactory remedy decisions</p> <p>Statistics are based on a total of <b>2</b> upheld decisions for the period between 1 April 2022 to 31 March 2023</p>



## Report to Governance, Strategy and Resources Scrutiny Board

### Treasury Management Review 2022/23

**Portfolio Holder:** Cllr Abdul Jabbar MBE, Cabinet Member for Finance and Corporate Resources

**Officer Contact:** Anne Ryans, Director of Finance

**Report Author:** Lee Walsh, Finance Manager

**E-mail:** Lee.walsh@oldham.gov.uk

**5 October 2023**

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#### **Purpose of Report**

The presentation of this report to the Governance, Strategy and Resources Scrutiny Board provides it with the opportunity to review the performance of the Treasury Management function of the Council during 2022/23. It enables the Committee to review activities undertaken during the year and the actual prudential and treasury indicators for 2022/23.

#### **Executive Summary**

The Council is required by regulations issued under the Local Government Act 2003 to produce an annual treasury management review of activities and include the actual prudential and treasury indicators for 2022/23. This report (Attachment1) meets the requirements of both the CIPFA Code of Practice on Treasury Management (the Code) and the CIPFA Prudential Code for Capital Finance in Local Authorities (the Prudential Code).

The regulatory environment places responsibility on Members for the review and scrutiny of treasury management policy and activities. This report is therefore important in that respect, as it provides details of the outturn position for treasury activities and highlights compliance with the Council's policies previously approved by Members.

During 2022/23, the Council complied with its legislative and regulatory requirements. The key actual prudential and treasury indicators are to be found in the main body of this report.

The Director of Finance confirms that the statutory borrowing limit (the authorised limit) was not breached during 2022/23.

As the Audit Committee is charged with the scrutiny of Treasury Management activities for Oldham Council, the Treasury Management Review 2022/23 report was presented to and considered by the Audit Committee at its meeting of 27 June 2023. All questions and issues raised at the meeting were addressed to the satisfaction of the Committee Members. The Committee was content to recommend the report to Cabinet for approval.

The report was also presented to Cabinet at its meeting on 24 July 2023. Cabinet approved the report and was content to commend it to Council. It was then approved by Council at its meeting on 5 September 2023. This therefore ensured full compliance for the financial year 2022/23 with the requirements of the CIPFA Code of Practice.

### **Recommendation**

That the Governance, Strategy and Resources Scrutiny Board considers the Treasury Management Review 2022/23 report.



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## Attachment 1



### Report to Council

# Treasury Management Review 2022/23

**Portfolio Holder:** Councillor Abdul Jabbar MBE, Cabinet Member for Finance and Corporate Resources

**Officer Contact:** Anne Ryans, Director of Finance

**Report Author:** Lee Walsh, Finance Manager

**Ext.** 6608

**6 September 2023**

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### Reason for Decision

The Council is required by regulations issued under the Local Government Act 2003 to produce an annual treasury management review of activities and the actual prudential and treasury indicators for 2022/23. This report meets the requirements of both the Chartered Institute of Public Finance and Accountancy (CIPFA) Code of Practice on Treasury Management (the Code) and the CIPFA Prudential Code for Capital Finance in Local Authorities (the Prudential Code).

During 2022/23 the minimum reporting requirements were that full Council should receive the following reports:

- an annual treasury strategy in advance of the year (approved by Council on 2 March 2022)
- a mid-year (minimum) treasury update report (approved by Council on 14 November 2022)
- an annual review following the end of the year describing the activity compared to the strategy (this report)

The regulatory environment places responsibility on Members for the review and scrutiny of treasury management policy and activities. This report is therefore important in that respect, as it provides details of the outturn position for treasury activities and highlights compliance with the Council's policies previously approved by members.

The Council confirms that it has complied with the requirements under the Code to give prior scrutiny to the treasury strategy and the mid-year update. The Audit Committee is charged with the scrutiny of treasury management activities in Oldham and it therefore considered and approved the contents of the report at its meeting on 27 June 2023. The

Committee was content to commend the report to Cabinet. As such, Cabinet, at its meeting on 24 July 2023 approved the content of the report and was content to commend it to Council.

Council is therefore requested to approve the Treasury Management Review 2022/23 to ensure full compliance with the Code for 2022/23.

**Executive Summary**

During 2022/23, the Council complied with its legislative and regulatory requirements. The key actual prudential and treasury indicators detailing the impact of capital expenditure activities during the year, with comparators, are as follows:

Actual Prudential and Treasury Indicators	2021/22 Actual £000	2022/23 Revised £000	2022/23 Actual £000
Actual capital expenditure	76,989	59,113	58,787
Total Capital Financing Requirement:	468,895	464,182	465,723
External debt	167,597	160,997	160,996
Gross Borrowing	381,045	365,528	365,335
Investments			
· Longer than 1 year	15,000	15,000	15,000
· Under 1 year	90,300	69,510	55,780
· Total	<b>105,300</b>	<b>84,510</b>	<b>70,780</b>
<b>Net Borrowing (External debt less investments)</b>	62,297	76,487	90,216

As can be seen in the table above, actual capital expenditure was slightly less than the revised budget estimate for 2022/23 presented within the 2023/24 Treasury Management Strategy report considered at the Council meeting of 1 March 2023. The outturn position was significantly less than the £100.248m original capital budget for 2022/23 as approved at Budget Council on 2 March 2022.

Other prudential and treasury indicators are to be found in the main body of this report.

The Director of Finance confirms that the statutory borrowing limit (the authorised limit) was not breached during 2022/23.

The financial year 2022/23 saw the Bank of England increase the official Bank Rate to 4.25% by March 2023. From 0.75% in March 2022, the Monetary Policy Committee (MPC) pushed through increases at every subsequent meeting over the period taking the Bank Rate to 4.25% at the end of 2022/23, with the aim of trying to reduce inflationary price rises.

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The Treasury Management Review 2022/23 report was presented to and considered by the Audit Committee at its meeting of 27 June 2023, the Committee having responsibility for scrutinising all of the Council's treasury management arrangements. All questions and issues raised at the meeting were addressed to the satisfaction of the Committee Members. The Committee was content to recommend the report to Cabinet for approval.

The report was also presented to Cabinet at its meeting on 24 July 2023. Cabinet approved the report and was content to commend it to Council. Approval by Council will ensure full compliance for the financial year 2022/23 with the requirements of the CIPFA Code of Practice.

## **Recommendations**

Council is recommended to:

- 1) Approve the actual 2022/23 prudential and treasury indicators presented in this report
- 2) Approve the annual Treasury Management Review report for 2022/23

## Treasury Management Review 2022/23

### 1 Background

1.1 The Council has adopted the Revised Chartered Institute of Public Finance and Accountancy (CIPFA) Code of Practice on Treasury Management 2021. The primary requirements of the Code are as follows:

- Creation and maintenance of a Treasury Management Policy Statement which sets out the policies and objectives of the Council's Treasury Management activities;
- Creation and maintenance of Treasury Management Practices which set out the manner in which the Council will seek to achieve those policies and objectives;
- Receipt by the full Council of an annual Treasury Management Strategy Statement - including the Annual Investment Strategy and Minimum Revenue Provision Policy - for the year ahead, a Mid-year Review Report and an Annual Report (stewardship report) covering activities during the previous year;
- Delegation by the Council of responsibilities for implementing and monitoring Treasury Management Policies and Practices and for the execution and administration of treasury management decisions. In Oldham, this responsibility is delegated to the Section 151 Officer (Director of Finance); and
- Delegation by the Council of the role of scrutiny of the Treasury Management Strategy and policies to a specific named body. In Oldham, the delegated body is the Audit Committee.

Treasury management in this context is defined as:

*“The management of the local authority’s investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks.”*

1.2 The report therefore summarises the following the:-

- Council’s capital expenditure and financing during 2022/23;
- Impact of this activity on the Council’s underlying indebtedness (the Capital Financing Requirement);
- Actual prudential and treasury indicators;
- Overall treasury position identifying how the Council has borrowed in relation to this indebtedness, and the impact on investment balances;
- Summary of interest rate movements in the year;
- Detailed debt activity; and
- Detailed investment activity

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## 2 Current Position

### 2.1 The Council's Capital Expenditure and Financing during 2022/23

2.1.1 The Council undertakes capital expenditure when it invests in or acquires long-term assets. These activities may either be:

- Financed immediately through the application of capital or revenue resources (capital receipts, capital grants, revenue contributions etc.), which has no resultant impact on the Council's borrowing need; or
- Financed by borrowing if insufficient immediate financing is available, or a decision is taken not to apply available resources, then capital expenditure gives rise to a borrowing need.

2.1.2 The actual level of capital expenditure forms one of the required prudential indicators (these indicators are all summarised in Appendix 1). The table below shows the actual level of capital expenditure and how this was financed. As can be seen in the table below, actual capital expenditure in 2022/23 was slightly less than the revised budget estimate. The revised budget estimate is based on the month 8 2022/23 reported position to align with the Annual Treasury Management Strategy 2023/24 report approved on 1 March 2023, and not the latest reported position (month 9 report on 20 March 2023). All prudential indicators in the 2022/23 strategy are based on this revised budget.

	2021/22 Actual £000	2022/23 Revised £000	2022/23 Actual £000
Non-HRA capital expenditure	76,309	59,113	58,577
HRA capital expenditure	680	-	210
<b>Total capital expenditure</b>	<b>76,989</b>	<b>59,113</b>	<b>58,787</b>
Resourced by:			
• Capital receipts	11,861	6,163	9,271
• Capital grants	31,829	37,326	32,411
• Donated Asset	32,333	-	-
• HRA	912	-	-
• Revenue	54	90	237
• Prudential Borrowing	-	-	-
<b>Unfinanced capital expenditure</b>	<b>-</b>	<b>15,533</b>	<b>16,868</b>

### 2.2 The Council's Overall Borrowing Need

2.2.1 The Council's underlying need to borrow for capital expenditure is termed the Capital Financing Requirement (CFR). This figure is a gauge of the Council's indebtedness. The CFR results from the capital activity of the Council and resources used to pay for spending on capital schemes. It represents the 2022/23 unfinanced capital expenditure (see above table), and prior years' net or unfinanced capital expenditure which has not yet been paid for by revenue or other resources.

2.2.2 Part of the Council's treasury activity is to address the funding requirements for this borrowing need. Depending on the capital expenditure programme, the treasury service organises the Council's cash position to ensure that sufficient cash is available to meet the capital plans and cash flow requirements. This may be sourced through borrowing from external bodies (such as the Government, through the Public Works Loan Board [PWLB] or the money markets) or utilising temporary cash resources within the Council.

#### Reducing the CFR

2.2.3 The Council's (non-Housing Revenue Account [HRA]) underlying borrowing need (CFR) is not allowed to rise indefinitely. Statutory controls are in place to ensure that capital assets are broadly charged to revenue over the life of the asset. The Council is required to make an annual revenue charge, called the Minimum Revenue Provision (MRP), to reduce the CFR. This is effectively a repayment of the non-HRA borrowing need (there is no statutory requirement to reduce the HRA CFR). This differs from the treasury management arrangements which ensure that cash is available to meet capital commitments. External debt can also be borrowed or repaid at any time, but this does not change the CFR.

2.2.4 The total CFR can also be reduced by:

- The application of additional capital financing resources (such as unapplied capital receipts); or
- Charging more than the statutory revenue charge (MRP) each year through a Voluntary Revenue Provision (VRP).

2.2.5 The Council's 2022/23 MRP Policy (as required by Government) was approved as part of the Treasury Management Strategy report for 2022/23 at the Council meeting on 2 March 2022.

2.2.6 The Council's CFR for the year is shown in the table below and represents a key prudential indicator. It includes PFI and leasing schemes held on the balance sheet, which increase the Council's borrowing need. In 2022/23 the Council had seven PFI schemes in operation; however, no borrowing is actually required against these schemes as a borrowing facility is included within each contract.

<b>Capital Financing Requirement</b>	<b>2021/22 Actual £000</b>	<b>2022/23 Revised £000</b>	<b>2022/23 Actual £000</b>
Opening balance	491,713	468,895	468,895
Add unfinanced capital expenditure	-	15,533	16,868
Add adjustment for the inclusion of on-balance sheet PFI and leasing schemes (if applicable)	373	-	246
Less MRP/VRP*	(2,742)	(2,742)	(2,742)
Less PFI & finance lease repayments	(20,449)	(17,504)	(17,544)
Closing balance	468,895	464,182	465,723

\* Includes voluntary application of capital receipts and revenue resources

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2.2.7 Borrowing activity is constrained by prudential indicators for net borrowing, the CFR and by the authorised limit.

#### Gross Borrowing and the CFR

2.2.8 In order to ensure that borrowing levels are prudent over the medium term and only for a capital purpose, the Council should ensure that its gross external borrowing does not, except in the short term, exceed the total of the capital financing requirement in the preceding year (2021/22) plus the estimates of any additional capital financing requirement for the current (2022/23) and next two financial years.

2.2.9 This essentially means that the Council is not borrowing to support revenue expenditure.

2.2.10 This indicator allowed the Council some flexibility to borrow in advance of its immediate capital needs in 2022/23 if so required. This flexibility was not used. The table below highlights the Council's gross borrowing position against the CFR. The Council has complied with this prudential indicator.

	2021/22 Actual £000	2022/23 Revised £000	2022/23 Actual £000
Gross borrowing position	381,045	365,528	365,335
CFR - including PFI / Finance Leases	468,895	464,182	465,723
(Under) / Over funding of the CFR	(87,850)	(98,653)	(100,388)

The table above shows the position as at 31 March 2023 for the Council's gross borrowing position and CFR. This shows, compared to the revised budget position that there was a:

- Small movement in the gross borrowing position, due to lower than expected finance leases.
- Slight increase in the CFR due to the additional Prudential Borrowing used to finance the Capital Programme for 2022/23.

#### The Authorised Limit

2.2.11 The authorised limit is the “affordable borrowing limit” required by Section 3 of the Local Government Act 2003 and was set at £497.500m. Once this has been set, the Council does not have the power to borrow above this level.

#### The Operational Boundary

2.2.12 The operational boundary is the expected borrowing position of the Council during the year and was set at £472.500m. Periods where the actual position is either below or over the boundary is acceptable subject to the authorised limit not being breached. The Council operated well within this boundary in 2022/23.

	2022/23 Actual £000
Authorised Limit	497,500
Operational Boundary	472,500

Actual financing costs as a proportion of net revenue stream

- 2.2.13 This indicator identifies the trend in the cost of capital (borrowing and other long term obligation costs net of investment income) against the net revenue stream and is within expected levels.

	2022/23 Actual £000
External Debt	160,996
PFI / Finance leases	204,339
<b>Gross Borrowing</b>	<b>365,335</b>
Financing costs as a proportion of net revenue stream (General Fund)	8.81%

- 2.2.14 The table above splits the gross borrowing position of the Council between actual external debt (loans) and PFI / Finance lease debt. As can be seen above the gross borrowing position is well within the Authorised Limit and Operational Boundary.

## 2.3 The Council's Debt and Investment Position

- 2.3.1 The Council's debt and investment position is organised by the treasury management service in order to ensure adequate liquidity for revenue and capital activities, security for investments and to manage risks within all treasury management activities. Procedures and controls to achieve these objectives are well established both through Member reporting detailed in the summary, and through officer activity detailed in the Council's Treasury Management Practices.



2.3.2 At the end of 2022/23 the Council's treasury position was as follows:

	31 March 2022 Principal £000	Average Rate/ Return	Average Life years	31 March 2023 Principal £000	Average Rate/ Return	Average Life years
Fixed rate funding:						
-PWLB	35,241			35,241		
-Stock	6,600			0		
Market	125,756			125,755		
<b>Total borrowings</b>	<b>167,597</b>	4.16%	36.05	<b>160,996</b>	4.01%	34.17
<b>PFI &amp; Finance Lease Liabilities</b>	<b>213,448</b>			<b>204,339</b>		
<b>Total Gross Borrowing</b>	<b>381,045</b>			<b>365,335</b>		
<b>CFR</b>	<b>468,895</b>			<b>465,723</b>		
<b>Over/ (under) borrowing</b>	<b>(87,850)</b>			<b>(100,388)</b>		
Investments:						
Financial Institutions/LA's	90,300	0.21%		55,780	2.00%	
Property	15,000	3.83%		15,000	3.59%	
<b>Total investments</b>	<b>105,300</b>			<b>70,780</b>		
<b>Net Debt</b>	<b>62,297</b>			<b>90,216</b>		

2.3.3 The maturity structure of the debt portfolio was as follows:

	2021/22 Actual %	Upper Limit %	Lower Limit %	2022/23 Actual %
Under 12 months	33%	40%	0%	34%
12 months and within 24 months	10%	40%	0%	3%
24 months and within 5 years	12%	40%	0%	17%
5 years and within 10 years	9%	40%	0%	8%
10 years and above	36%	50%	0%	28%

2.3.4 The investment portfolio and maturity structure was as follows:

Investment Portfolio	Actual 31 March 2022 £000	Actual 31 March 2022 %	Actual 31 March 2023 £000	Actual 31 March 2023 %
<b>Treasury Investments</b>				
Banks	25,000	23.74%	10,000	14.13%
Building Societies	5,000	4.75%	-	0%
Local Authorities / Public Bodies	14,000	13.30%	10,000	14.13%
Money Market Funds (MMF's)	46,300	43.97%	35,780	50.55%
<b>Total Managed In House</b>	<b>90,300</b>	<b>85.75%</b>	<b>55,780</b>	<b>78.81%</b>
Bond Funds	-		-	
Property Funds	15,000	14.25%	15,000	21.19%
Cash Fund Managers	-		-	
<b>Total Managed Externally</b>	<b>15,000</b>	<b>14.25%</b>	<b>15,000</b>	<b>21.19%</b>
<b>TOTAL TREASURY INVESTMENTS</b>	<b>105,300</b>	<b>100%</b>	<b>70,780</b>	<b>100%</b>
<b>TOTAL NON TREASURY INVESTMENTS</b>	-	0%	-	0%

	2021/22 Actual £000	2022/23 Actual £000
Investments		
Longer than 1 year	-	-
Under 1 year	90,300	55,780
Property Fund	15,000	15,000
Total	<b>105,300</b>	<b>70,780</b>

2.3.5 Key features of the debt and investment position are:

- a) Over the course of the year 2022/23, investments decreased by £34.520m compared to the investments held as at 31 March 2022. The large decrease relates to the accelerated spend on the Capital Programme during the final month of the year but also from a comparative perspective, in March 2022 (at the end of 2021/22), the Council received additional Government grant funding, to enable it to administer the Council Tax Energy Rebate scheme that was to be distributed in 2022/23.
- b) The average rate of return on investments with Financial Institutions increased from 0.21% in 2021/22 to 2% in 2022/23. The year 2022/23 has seen the Bank of England increase the Bank Rate from 0.75% in March 2022 to 4.25% in March 2023. The Monetary Policy Committee (MPC) pushed through rises at every subsequent meeting over the period finishing the year with a Bank Rate to 4.25%. Therefore, over the course of the year,

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the Council has received greater returns on its investments. The increase in Bank Rate has continued into the first two quarters of 2023/24.

## **2.4 Economic Background 2022/23**

- 2.4.1 The economic backdrop during the January 2023 to March 2023 period continued to be characterised by high energy and commodity prices, high inflation, and the associated impact on household budgets and spending. The conflict in Ukraine continued to keep global inflation above central bank targets and the UK economic outlook remained relatively weak with the chance of a mild recession.
- 2.4.2 Central Bank rhetoric and actions remained consistent with combatting inflation. The Bank of England, US Federal Reserve, and European Central Bank all increased interest rates during 2022/23, even in the face of potential economic slowdowns in those regions.
- 2.4.3 Starting the financial year in April 2022 at 5.5%, the annual Consumer Price Index (CPI) measure of UK inflation rose strongly to hit 10.1% in July 2022 and then 11.1% in October 2022. Inflation remained high in subsequent months but appeared to be past the peak, before unexpectedly rising again in February 2023. Annual headline CPI registered 10.4% in February 2023, up from 10.1% in January 2023, with the largest upward contributions coming from food and housing. The Retail Price Index (RPI) followed a similar pattern during the year, hitting 14.2% in October 2022. In February 2023 RPI measured 13.8%, up from 13.4% in the previous month.
- 2.4.4 Following the decision by the UK Government under Prime Minister Rishi Sunak and Chancellor Jeremy Hunt to reverse some of the support for household energy bills announced under the Liz Truss leadership, further support in the form of a cap on energy suppliers charges to households was announced in the March 2023 Budget to run from April until end June 2023. Before the announcement, typical household bills had been due to rise to £3,000 a year from April 2023.
- 2.4.5 The labour market remained tight albeit with some ongoing evidence of potential loosening at the end of 2022/23. The unemployment rate 3mth/year eased from 3.8% April - June 2022 to 3.6% in the following quarter, before picking up again to 3.7% between October - December 2022. Information for the period December 2022 - February 2023 showed an unemployment rate of 3.7%.
- 2.4.6 The inactivity rate was 21.3% in the December 2022 – February 2023 quarter, slightly down from the 21.4% in the first quarter of the financial year. Nominal earnings were robust throughout the year, with earnings growth in December 2022 – February 2023 at as 5.7% for both total pay (including bonuses) and 6.5% for regular pay. Once adjusted for inflation, however, both measures were negative for that period and have been so throughout most of the year.
- 2.4.7 Despite household budgets remaining under pressure, consumer confidence rose very slightly to -36 in March 2023, following readings of -38 and -45 in the previous two months, and much improved compared to the record-low of -49 in September 2022. Quarterly Gross Domestic Product (GDP) was soft through the

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year, registering a 0.1% gain in the April - June 2022 period, before contracting by (an upwardly revised) -0.1% in the subsequent quarter. For the October - December 2022 period GDP was revised upwards to 0.1% (from 0.0%), illustrating a resilient but weak economic picture. The annual growth rate in Quarter 4 was 0.6%.

- 2.4.8 The Bank of England increased the official Bank Rate to 4.25% during the financial year. From 0.75% in March 2022, the Monetary Policy Committee (MPC) pushed through rises at every subsequent meeting over the period, with hikes of 50 basis points (bps) in December 2022 and February 2023 and then 25bps in March 2023, taking Bank Rate to 4.25%. March's rise was voted by a majority of 7-2, with two MPC members preferring to maintain Bank Rate at 4.0%. The Committee noted that inflationary pressures remain elevated with growth stronger than was expected in the February 2023 Monetary Policy Report. The February 2023 vote was also 7-2 in favour of a hike, and again with two members preferring to keep Bank Rate on hold.
- 2.4.9 After reaching 9.1% in June 2022, annual US inflation slowed for eight consecutive months to 6% in February 2023. The Federal Reserve continued raising interest rates over the period with consecutive increases at each Federal Open Market Committee meetings, taking policy rates to a range of 4.75%- 5.00% at the March 2023 meeting.
- 2.4.10 From the record-high of 10.6% in October 2022, Eurozone CPI inflation fell steadily to 6.9% in March 2023. Energy prices fell, but upward pressure came from food, alcohol, and tobacco. The European Central Bank continued increasing interest rates over the period, pushing rates up by 0.50% in March 2023, taking the deposit facility rate to 3.0% and the main refinancing rate to 3.5%.

### Financial Markets

- 2.4.11 Uncertainty continued to be a key driver of financial market sentiment and bond yields remained relatively volatile due to concerns over elevated inflation and higher interest rates, as well as the likelihood of the UK entering a recession and questions about how long the Bank of England would continue to tighten monetary policy. Towards the end of the period, fears around the health of the banking system following the collapse of Silicon Valley Bank in the US and purchase of Credit Suisse by UBS caused further volatility.
- 2.4.12 Over the period the 5-year UK benchmark gilt yield rose from 1.41% to peak at 4.70% in September 2022 before ending the financial year at 3.36%. Over the same timeframe the 10-year gilt yield rose from 1.61% to peak at 4.51% before falling back to 3.49%, while the 20-year yield rose from 1.82% to 4.96% and then declined to 3.82%. The Sterling Overnight Rate (SONIA) averaged 2.24% over the period.

### Credit Review

- 2.4.13 With regard to the credit ratings of Local Government bodies (who have chosen to have a rating), early in the period, Moody's affirmed the long-term rating of

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Guildford BC but revised the outlook to negative. The agency also downgraded Warrington BC and Transport for London.

- 2.4.14 In July 2022 Fitch revised the outlook for Standard Chartered and Bank of Nova Scotia from negative to stable and in the same month Moody's revised the outlook on Bayerische Landesbank to positive.
- 2.4.15 In September 2022 Standard & Poor (S&P) revised the outlook on the Greater London Authority to stable from negative and Fitch revised the outlook on HSBC to stable from negative.
- 2.4.16 The following month Fitch revised the outlook on the UK sovereign rating to negative from stable. Moody's made the same revision to the UK sovereign rating, following swiftly after with a similar move for a number of Local Authorities and UK banks including Barclays Bank, National Westminster Bank (and related entities) and Santander. During the last few months of the reporting period there were only a handful of credit changes by the rating agencies, then in March 2023, the collapse of Silicon Valley Bank (SVB) in the US quickly spilled over into worries of a wider banking crisis as Credit Suisse encountered further problems and was bought by UBS.
- 2.4.17 Credit Default Swap (CDS) prices had been rising since the start of the year due to the invasion of Ukraine, and in the UK rose further in September/October 2022 at the time of the then-Government's mini budget. After this, CDS prices had been falling, but the fallout from the SVB collapse caused a spike arising from the heightened uncertainty. However, they had moderated somewhat by the end of the year in March 2023 as fears of contagion subsided, but many are still above their pre-March 2023 levels reflecting that some uncertainty remains.
- 2.4.18 As market volatility is expected to remain a feature, at least in the near term and, as ever, the institutions and durations on the Council's counterparty list will continue to remain under constant review. Local Authorities remain under financial pressure, but the positive view of the sector is that its credit strength remains to be high. Section 114 notices have been issued by only a handful of authorities with specific issues.

## **2.5 Borrowing Strategy and control of interest rate risk**

- 2.5.1 During 2022/23, the Council maintained an under-borrowed position. This meant that the capital borrowing need, (the Capital Financing Requirement), was not fully funded with loan debt, as cash supporting the Council's reserves, balances and cash flow was used as an interim measure. This strategy was prudent as investment returns were low and minimising counterparty risk on placing investments also needed to be considered.
- 2.5.2 A cost of carry remained during the majority of the year on any new long-term borrowing that was not immediately used to finance capital expenditure, as it would have caused a temporary increase in cash balances; this would have incurred a revenue cost – the difference between (higher) borrowing costs and (lower) investment returns.

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- 2.5.3 The policy of avoiding new borrowing by running down spare cash balances, has served well over the last few years. However, this was kept under review to avoid incurring higher borrowing costs in the future when the Authority may not be able to avoid new borrowing to finance capital expenditure and/or the refinancing of maturing debt.
- 2.5.4 Against this background and the risks within the economic forecast, caution was adopted with the treasury operations. The Treasury Management Team and the Director of Finance therefore monitored interest rates in financial markets and adopted a pragmatic strategy based upon the following principles to manage interest rate risks
- if it had been felt that there was a significant risk of a sharp **fall** in long and short term rates, (e.g., due to a marked increase of risks around relapse into recession or of risks of deflation), then long term borrowings would have been postponed, and potential rescheduling from fixed rate funding into short term borrowing would have been considered.
  - if it had been felt that there was a significant risk of a much sharper **rise** in long and short term rates than initially expected, perhaps arising from an acceleration in the start date and in the rate of increase in central rates in the USA and UK, an increase in world economic activity or a sudden increase in inflation risks, then the portfolio position would have been re-appraised. Most likely, fixed rate funding would have been drawn whilst interest rates were lower than they were projected to be in the next few years.
- 2.5.5 Interest rate forecasts throughout 2022/23 have been rising which has seen gradual rises in medium- and longer-term fixed borrowing rates during 2022/23 and the two subsequent financial years mainly due to inflation concerns. Internal, variable, or short-term rates, were the cheaper form of borrowing over the period.
- 2.5.6 The Authority continues to hold £85.500m of LOBO (Lender's Option Borrower's Option) loans where the lender has the option to propose an increase in the interest rate at set dates, following which the Authority has the option to either accept the new rate or to repay the loan at no additional cost. No banks exercised their option during the year.
- 2.5.7 During 2023/24 and given the rising of the Bank Rate throughout 2022/23, the Council in conjunction with its treasury advisors will be assessing its LOBO portfolio, as these loans from some banks may present restructuring opportunities with substantial value from a negotiated settlement with the bank. The benefits, include restructuring savings and the opportunity to reduce exposure to medium/long-term optionality.



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## **2.6 Borrowing Outturn for 2022/23**

### Treasury Borrowing

- 2.6.1 Due to high cash balances and investment concerns, both counterparty risk and low investment returns at the start of the year, no borrowing was undertaken during the year.

### Debt Rescheduling

- 2.6.2 There was no rescheduling of debt during the year. As interest rate have been steadily raising the Council will look at debt scheduling opportunities during 2023/24.

### Repayment of Debt

- 2.6.3 In September 2022, the Council repaid its loan stock of £6.600m which yielded a rate of 12%. No additional cost was incurred by the repayment as the maturity date had been reached.

### Borrowing in Advance of Need

- 2.6.4 The Council has not borrowed in advance of its needs.

## **2.7 Investment Outturn**

### Investment Policy

- 2.7.1 The Council's investment policy is governed by the Department for Levelling Up, Housing and Communities (DLUHC), previously the Ministry of Housing, Communities and Local Government (MHCLG) investment guidance. This has directed the preparation of the annual investment strategy which for 2022/23 was approved by Council on 2 March 2022. This policy set out the approach for choosing investment counterparties and is based on credit ratings provided by the three main credit rating agencies, supplemented by additional market data (such as rating outlooks, credit default swaps, bank share prices etc.).

- 2.7.2 Both the CIPFA Code and Government guidance require the Authority to invest its funds prudently, and to have regard to the security and liquidity of its treasury investments before seeking the optimum rate of return, or yield. The Authority's objective when investing money is to strike an appropriate balance between risk and return, minimising the risk of incurring losses from defaults and the risk of receiving unsuitably low investment income. The investment activity during the year conformed to the approved strategy, and the Council had no liquidity difficulties.

- 2.7.3 Bank Rate has increased from 0.75% at the beginning of the year to 4.25% at the end of March 2023. Short-dated cash rates, which had ranged between 0.7% - 1.5% at the beginning of April 2022, rose by around 3.5% for overnight/7-day maturities and 3.3% for 6–12-month maturities by the end of the year. By the end of March 2023, the rates on Debt Management Account Deposit Facility (DMADF)

deposits ranged between 4.05% and 4.15%. The return on the Council's sterling Low Volatility Net Asset Value (LVNAV) Money Market Funds ranged between 0.9% - 1.1% per annum in early April and between 4.04% and 4.12% at the end of March 2023.

### Resources

2.7.4 The Council's cash balances comprise revenue and capital resources and cash flow monies. The Council's core cash resources comprised as follows:

Balance Sheet Resources	31 March 2022 £000	31 March 2023 £000
Balances General Fund	(20,012)	(18,865)
Balances HRA	(21,721)	(22,585)
Earmarked Revenue Reserves	(99,228)	(79,130)
Revenue Grant Reserve	(10,731)	(7,968)
School Reserve	(10,192)	(8,381)
Provisions	(19,698)	(12,782)
<b>Total</b>	<b>(181,582)</b>	<b>(149,711)</b>

### Investments at 31 March 2023

2.7.5 The Council managed all of its investments in house with the institutions listed in the Council's approved lending list. At the end of the financial year the Council had £70.780m of investments as follows:

Institution	Type	Amount £000	Term/ Days	Rate%	Start Date	End Date
CCLA Property	Property	15,000		3.59%		
		<b>15,000</b>				
Stirling Council	Fixed	5,000	182	3.40%	21-Nov-22	22-May-23
Wrexham Council	Fixed	5,000	182	3.50%	22-Nov-22	22-June-23
Close Brothers Ltd	Fixed	5,000	181	3.50%	22-Nov-22	22-June-23
Close Brothers Ltd	Fixed	5,000	182	4.10%	29-Dec-22	29-June-23
<b>Total Fixed Deposits</b>		<b>20,000</b>				
Morgan Stanley MMF*	MMF	20,000	366	4.12%	31-Mar-22	01-Apr-23
Federated MMF*	MMF	15,780	5	4.04%	27-Mar-23	01-Apr-23
<b>Total Money Market Funds (MMF)</b>		<b>35,780</b>				
<b>Total Investments</b>		<b>70,780</b>				

\* Money Market Funds (MMF)

2.7.6 The Council's investment strategy as set in March 2022, was to maintain sufficient cash reserves to give it necessary liquidity, whilst trying to attain a benchmark average rate of return of London Interbank Bid Rate (LIBID) on the relevant time deposit multiplied by 5%, whilst ensuring funds were invested in institutions which were the most secure. LIBID ceased to be used by the Bank of England at 31 December 2021, with SONIA (Sterling Overnight Index Average) replacing it. During the year and in line with the industry movement from LIBID to SONIA the Council updated its measurement of performance to a SONIA



benchmark. The table below shows the Council's performance against the investment benchmark. The benchmark for 2022/23 is based on the SONIA and the performance exceeded the target return.

	Benchmark SONIA Return %	Benchmark SONIA Return % Plus 5%	Actual Return %
Overnight	2.24%	2.35%	2.38%

2.7.7 The Council's investment in the Churches, Charities and Local Authorities (CCLA) Property Fund yielded dividends in year of £0.573m with an average return of 3.59%. This has dropped slightly compared to 2021/22 but continues to provide high returns compared to other investments the Council holds. The higher return reflects the long-term nature of the investment.

## 2.8 Other Key Issues

### International Financial Reporting Standards (IFRS) 9 – Financial Instruments Pooled Investment Fund Statutory Override

2.8.1 The DLUHC published a consultation on the IFRS 9 pooled investment fund statutory override for English Authorities for fair value gains and losses on pooled investment funds which was due to expire with effect from 2023/24. The options under evaluation were to allow the override to lapse, to extend it, or to make it permanent. The override will be extended for two years and therefore remain in place for the 2023/24 and 2024/25 financial years. Under the Regulations, gains and losses resulting from unrealised fair value movements relating to treasury pooled investment funds, that otherwise must be recognised in profit or loss under IFRS 9, are not charges to the revenue account, and must be taken into an unusable reserve account.

## 3 Options/Alternatives

3.1 In order that the Council complies with the Chartered Institute of Public Finance and Accountancy's (CIPFA) Code of Practice on Treasury Management, Council has no option other than to consider and approve the contents of the report. Therefore, no options/alternatives have been presented.

## 4 Preferred Option

4.1 The preferred option is that the contents of the report are agreed by Council to ensure full compliance with the CIPFA Code of Practice.

## 5 Consultation

5.1 There has been consultation with the Council's, Treasury Management Advisors, Arlingclose Ltd.

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5.2 The Treasury Management Review 2022/23 was presented to the Audit Committee for detailed scrutiny on 27 June 2023. All questions and matters raised at the Committee were addressed. This scrutiny prior to approval was in compliance with the requirements of the CIPFA Code of Practice. The Committee was content to commend the report to Cabinet.

5.3 The report was also presented to Cabinet at its meeting on 24 July 2023. Cabinet approved the report and was content to commend it to Council. Approval by Council will ensure full compliance for the financial year 2022/23 with the requirements of the CIPFA Code of Practice.

## 6 **Financial Implications**

6.1 All included in the report.

## 7 **Legal Services Comments**

7.1 None

## 8 **Cooperative Agenda**

8.1 The treasury management strategy embraces the Council's cooperative agenda. The Council will develop its investment framework to ensure it complements the cooperative ethos of the Council.

## 9 **Human Resources Comments**

9.1 None

## 10 **Risk Assessments**

10.1 There are considerable risks to the security of the Authority's resources if appropriate treasury management strategies and policies are not adopted and followed. The Council has established good practice in relation to treasury management which has previously been acknowledged in Internal Audit reports and in the External Auditors' reports presented to the Audit Committee.

## 11 **IT Implications**

11.1 None

## 12 **Property Implications**

12.1 None

## 13 **Procurement Implications**

13.1 None

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14 **Environmental and Health & Safety Implications**

14.1 None

15 **Equality, community cohesion and crime implications**

15.1 None

16 **Equality Impact Assessment Completed**

16.1 No

17 **Key Decision**

17.1 Yes

18 **Key Decision Reference**

18.1 FLC-03-23

19 **Background Papers**

19.1 The following is a list of background papers on which this report is based in accordance with the requirements of Section 100(1) of the Local Government Act 1972. It does not include documents which would disclose exempt or confidential information as defined by the Act:

File Ref: Background papers are provided in Appendix 1  
Officer Name: Lee Walsh  
Contact No: 0161 770 6608

20 **Appendices**

Appendix 1 Prudential and Treasury Management Indicators

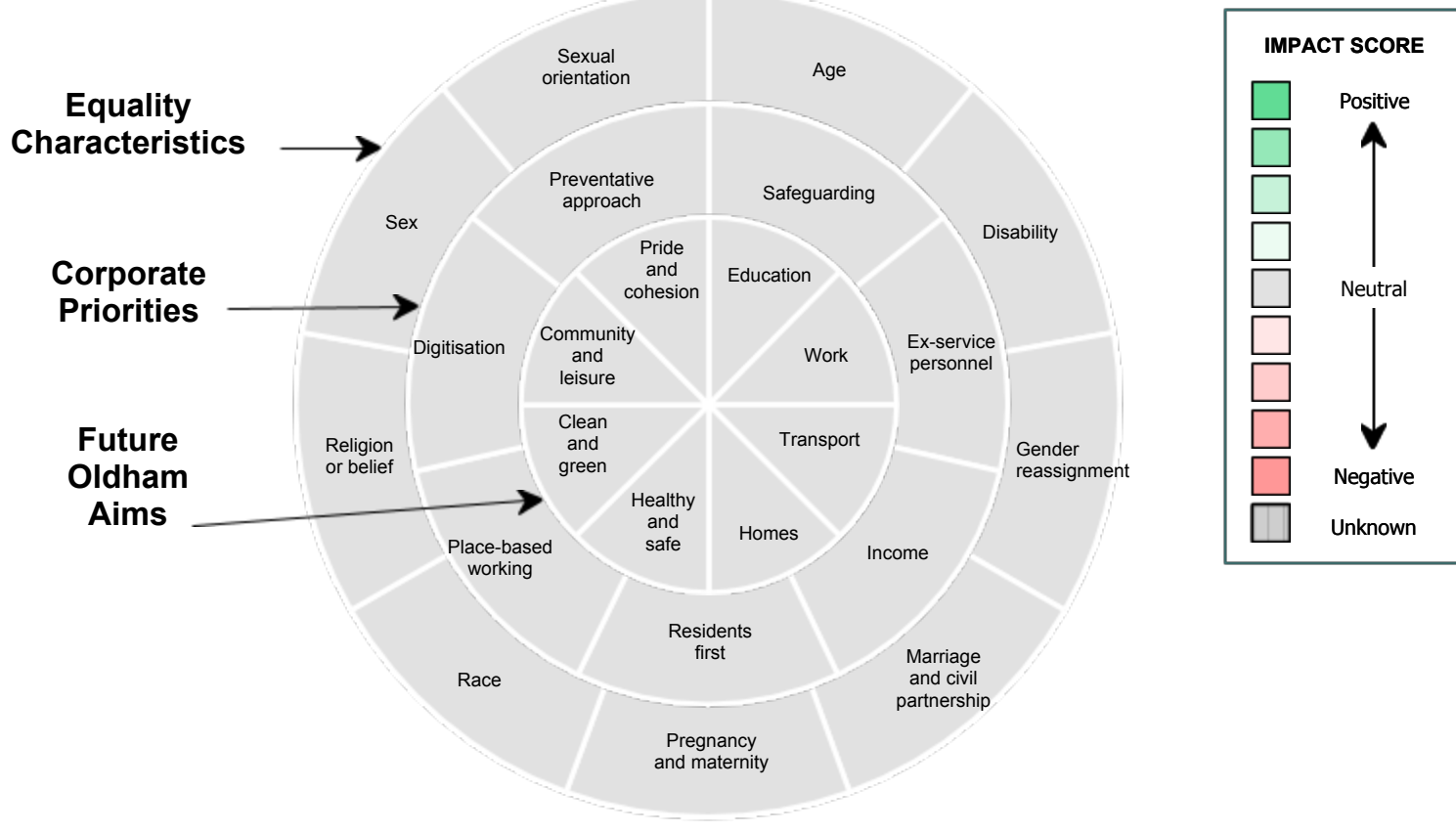
## Appendix 1: Prudential and Treasury Indicators

<b>TABLE 1: Prudential indicators</b>	<b>2021/22</b>	<b>2022/23</b>	<b>2022/23</b>	<b>2022/23</b>
	<b>Outturn</b>	<b>Original</b>	<b>Revised</b>	<b>Outturn</b>
<b>Capital Expenditure</b>				
Non – HRA	76,989	96,865	59,113	58,577
HRA		3,383	0	210
TOTAL	76,989	100,248	59,113	58,787
<b>Ratio of financing costs to net revenue stream</b>				
Non – HRA	9.65%	12.00%	8.81%	8.81%
<b>In year Capital Financing Requirement</b>				
Non – HRA	(22,818)	51,352	(4,713)	(3,172)
TOTAL	(22,818)	51,352	(4,713)	(3,172)
<b>Capital Financing Requirement as at 31 March</b>				
	468,895	520,247	464,182	465,723

<b>TABLE 2: Treasury Management Indicators</b>	<b>2021/22</b>	<b>2022/23</b>	<b>2022/23</b>	<b>2022/23</b>
	<b>Outturn</b>	<b>Original Budget</b>	<b>Revised</b>	<b>Outturn</b>
<b>Authorised Limit for External Debt</b>				
Borrowing	302,500	336,500	285,000	285,000
Other long term liabilities	220,500	211,500	212,500	212,500
<b>TOTAL</b>	<b>523,000</b>	<b>548,000</b>	<b>497,500</b>	<b>497,500</b>
<b>Operational Boundary for External Debt</b>				
Borrowing	282,500	316,500	265,000	265,000
Other long term liabilities	215,500	206,500	207,500	207,500
<b>TOTAL</b>	<b>498,000</b>	<b>523,600</b>	<b>472,500</b>	<b>472,500</b>
<b>Actual Gross Borrowing</b>	381,045			365,335
<b>Upper limit for total principal sums invested for over 364 days</b>	50,000	50,000	50,000	50,000

<b>Maturity structure of fixed rate borrowing during 2021/22</b>	<b>Upper Limit</b>	<b>Lower Limit</b>	<b>Actual</b>
Under 12 months	40%	0%	35%
12 months and within 24 months	40%	0%	3%
24 months and within 5 years	40%	0%	17%
5 years and within 10 years	40%	0%	8%
10 years and above	50%	0%	28%

### Treasury Management Review 2022/23



Treasury Management Review 2022/23				
	Impact	Likelihood	Duration	Comment
<b>Equality Characteristics</b>				
Age	Neutral	Possible	Short Term	The report considers the performance of the Treasury Management function (within Finance) for the 2022/23 financial year and as such, in isolation has no direct impact on Equality
Disability	Neutral	Possible	Short Term	As Above
Gender reassignment	Neutral	Possible	Short Term	As Above
Marriage and civil partnership	Neutral	Possible	Short Term	As Above
Pregnancy and maternity	Neutral	Possible	Short Term	As Above
Race	Neutral	Possible	Short Term	As Above
Religion or belief	Neutral	Possible	Short Term	As Above
Sex	Neutral	Possible	Short Term	As Above
Sexual orientation	Neutral	Possible	Short Term	As Above
<b>Corporate Priorities</b>				
Safeguarding	Neutral	Possible	Short Term	The report considers the performance of the Treasury Management function (within Finance) for the 2022/23 financial year and as such, in isolation has no direct impact on Corporate Priorities
Ex-service personnel	Neutral	Possible	Short Term	As Above
Income	Neutral	Possible	Short Term	As Above
Residents first	Neutral	Possible	Short Term	As Above
Place-based working	Neutral	Possible	Short Term	As Above
Digitisation	Neutral	Possible	Short Term	As Above
Preventative approach	Neutral	Possible	Short Term	As Above
<b>Future Oldham Aims</b>				
Education	Neutral	Possible	Short Term	The report considers the performance of the Treasury Management function (within Finance) for the 2022/23 financial year and as such, in isolation has no direct impact on Future Oldham Aims
Work	Neutral	Possible	Short Term	As Above
Transport	Neutral	Possible	Short Term	As Above
Homes	Neutral	Possible	Short Term	As Above
Healthy and safe	Neutral	Possible	Short Term	As Above
Clean and green	Neutral	Possible	Short Term	As Above
Community and leisure	Neutral	Possible	Short Term	As Above
Pride and cohesion	Neutral	Possible	Short Term	As Above



## Report to Governance, Strategy and Resources Scrutiny Board

# Treasury Management Quarter One Report 2023/24

**Portfolio Holder:** Cllr Abdul Jabbar MBE, Cabinet Member for Finance and Corporate Resources

**Officer Contact:** Anne Ryans, Director of Finance

**Report Author:** Lee Walsh, Finance Manager

**E-mail:** Lee.walsh@oldham.gov.uk

**5 October 2023**

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### **Purpose of Report**

The presentation of this report to the Governance, Strategy and Resources Scrutiny Board provides it with the opportunity to review the performance of the Treasury Management function of the Council for the first quarter of 2023/24. It provides a comparison of performance against the 2023/24 Treasury Management Strategy and Prudential Indicators.

### **Executive Summary**

The Council is required to consider the performance of the Treasury Management function in order to comply with the Chartered Institute of Public Finance and Accountancy's (CIPFA) Code of Practice on Treasury Management (revised 2021). A new requirement included in the 2021 Code of Practice, mandatory from 1 April 2023, is quarterly reporting of the treasury management prudential indicators. The Treasury Management Quarter One 2023/24 report (Attachment 1) is therefore the first quarterly report presented to Members and sets out the key Treasury Management issues for Members' information and review and outlines:

- An economic update for the first quarter of 2023/24;
- A review and updates of the Council's current Treasury Management position;
- Information on Council Borrowing;
- Updated Treasury Investment Activity;
- Treasury Performance for the Quarter;
- Treasury Management Prudential Indicators;

As the Audit Committee is charged with the scrutiny of Treasury Management activities for Oldham Council, it therefore considered and approved the contents of the Quarter One report at its meeting on 5 September 2023. All questions asked by Committee Members were answered to their satisfaction.

The Committee was therefore content to commend the report to Cabinet. The report was approved by Cabinet at its meeting of 18 September 2023. The report will therefore be presented to Council on 1 November 2023 for final approval. This will then ensure full compliance with the Treasury Management Code of Practice.

### **Recommendation**

That the Governance, Strategy and Resources Scrutiny Board considers the 2023/24 Treasury Management Quarter One report and the Treasury Management activity and projected outturn.



## **Attachment 1**

### **Report to Cabinet**

# **Treasury Management Quarter One Report 2023/24**

**Portfolio Holder:** Cllr Abdul Jabbar MBE, Cabinet Member for Finance and Corporate Resources

**Officer Contact:** Anne Ryans, Director of Finance

**Report Author:** Lee Walsh, Finance Manager (Capital & Treasury)  
**Ext.** 6608

**18 September 2023**

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#### **Reason for Decision**

This report advises Cabinet of the performance of the Treasury Management function of the Council for the first quarter of 2023/24 and provides a comparison of performance against the 2023/24 Treasury Management Strategy and Prudential Indicators.

#### **Executive Summary**

The Council is required to consider the performance of the Treasury Management function in order to comply with the Chartered Institute of Public Finance and Accountancy's (CIPFA) Code of Practice on Treasury Management (revised 2021). This quarterly report provides an additional update and includes the new requirement in the 2021 Code, mandatory from 1 April 2023, of quarterly reporting of the treasury management prudential indicators. This report therefore sets out the key Treasury Management issues for Members' information and review and outlines:

- An economic update for the first quarter of 2023/24;
- A review and updates of the Council's current Treasury Management position;
- Information on Council Borrowing;
- Updated Treasury Investment Activity;
- Treasury Performance for the Quarter;
- Treasury Management Prudential Indicators;

The Audit Committee is charged with the scrutiny of Treasury Management activities for Oldham Council, and it therefore considered and approved the contents of the Quarter One report at its meeting on 5 September 2023. All questions asked by Committee Members were

answered to their satisfaction. The Committee was therefore content to commend the report to Cabinet. The Quarter One Treasury Management report is presented to the Cabinet to approve with a recommendation that it is commended to Council for final approval

### **Recommendation**

That Cabinet considers the Treasury Management Quarter One report and the Treasury Management activity and projected outturn and after such consideration, commends the report to Council.

## 1 Background

- 1.1 The Council operates a balanced budget, which broadly means cash raised during the year will meet its cash expenditure. Part of the treasury management operation is to ensure this cash flow is adequately planned, with surplus monies being invested with low-risk counterparties, providing adequate liquidity initially before considering optimising investment returns.
- 1.2 The second main function of the treasury management service is the funding of the Council's capital plans. These capital plans provide a guide to the borrowing need of the Council, essentially the longer-term cash flow planning to ensure the Council can meet its capital spending obligations. This management of longer-term cash may involve arranging long or short-term loans, or using longer term cash flow surpluses, and on occasion any debt previously drawn may be restructured to meet Council risk or cost objectives.
- 1.3 As a consequence, treasury management is defined as:
- “The management of the local authority's investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks.”
- 1.4 With effect from the start of 2023/24, following a competitive tendering process, the Council changed its treasury management advisors from The Link Group, Treasury Solutions to Arlingclose Ltd. The format of the treasury management reports has therefore changed in line with the advice received from Arlingclose Ltd.

## 2 Current Position

### 2.1 Requirements of the Treasury Management Code of Practice

- 2.1.1 The Council has adopted the Chartered Institute of Public Finance and Accountancy's Treasury Management in the Public Services: Code of Practice (Revised 2021) (the CIPFA Code) which requires the Authority to produce a quarterly treasury management update report; a requirement in the 2021 Code which is mandatory from 1 April 2023.
- 2.1.2 This report provides an additional update to that previously received by Members to reflect the new requirement in the 2021 Code of quarterly reporting on treasury management prudential indicators. The treasury and prudential indicators are also incorporated at Appendix 1 to this report.
- 2.1.3 The Council's treasury management strategy for 2023/24 was approved at the Budget Council meeting on 1 March 2023. The Council has borrowed and invested substantial sums of money and is therefore exposed to financial risks including the potential loss of invested funds and the revenue effect of changing interest rates. The successful identification, monitoring and control of risk remains central to the Authority's Treasury Management Strategy.
- 2.1.4 This Quarter One report has been prepared in compliance with CIPFA's Code of Practice, and covers the following:
- An economic update for the first quarter of 2023/24;
  - A review and updates of the Council's current treasury management position;
  - Information on Council Borrowing;
  - Updated Treasury Investment Activity;

- Treasury Performance for the Quarter;
- Treasury Management Prudential Indicators;

## 2.2 External Environment Quarter One 2023/24

### Economic Background

- 2.2.1 From the start of the quarter until May it looked like peak global monetary policy rates were in sight as inflation continued to ease and central banks turned more dovish in tone. Only a few weeks later, stronger and more persistent inflation data, particularly in the UK, changed the picture.
- 2.2.2 The UK situation was not welcome news for the Bank of England. Gross Domestic Product (GDP) growth was weak, confirmed at 0.1% in quarter 1 (Q1), although more recent monthly GDP data has been somewhat better. The housing market had stalled, consumer demand was weak but seemingly recovering despite higher interest rates, and labour demand remained strong, with repercussions for wage growth which is accelerating.
- 2.2.3 April data showed the unemployment rate increased to 3.8% (3mth/year) while the employment rate rose to 76.0%. Pay growth was 6.5% for total pay (including bonuses) and 7.2% for regular pay, the largest growth rate of the latter outside of the COVID pandemic. Once adjusted for inflation, however, growth in total pay and regular pay remained negative.
- 2.2.4 Inflation fell from its peak of 11.1% reached in October 2022, but the annual headline Consumer Price Index (CPI) inflation rate in May 2023 was higher than the consensus forecast at 8.7% (8.4% expected), largely driven by services inflation, while the annual measure of underlying core inflation rose to 7.1% from 6.8%.
- 2.2.5 After a sharp rise in interest rate expectations, with clearly serious implications for mortgage markets due to higher inflation and wage data, the Bank of England's Monetary Policy Committee (MPC) reaccelerated monetary policy tightening over the period with a 0.25% rise in May to a 0.5% rise in June, taking Bank Rate to 5.0%. At both meetings the vote was 7-2 in favour of increasing rates, with the two dissenters preferring to keep rates on hold.
- 2.2.6 Interest rate expectations priced in further hikes in policy rates. Arlingclose Ltd., the Council's treasury adviser, revised its forecast to predict a further 0.5% of monetary tightening to take the Bank Rate to 5.5%. The risks, however, are that rates could be higher; financial markets are forecasting interest rates above 6%.
- 2.2.7 With many mortgages at low fixed rates now systematically being re-set over the next 12-24 months at higher rates at the end of their fixed rate period, there has been a lagged effect of the follow through of monetary policy on households' disposable income. The economic slowdown is expected to develop over time and therefore, despite the GfK (Nuremberg Society for Consumer Research) measure of consumer confidence rising to -24 in June, it is likely that confidence will be negatively affected at some point. The manufacturing sector contracted during the quarter according to survey data, which will eventually impact into services, whose expansion is slowing.
- 2.2.8 Despite the US Federal Reserve (Fed) increasing its key interest rate from 5.00% to 5.25% over the period, activity in the region continued to defy monetary tightening, particularly in labour markets which have so far appeared robust, supporting the Fed's assertions of two more rate hikes after it paused in June. Annual US inflation continued to ease, falling from 4.9% in April to 4.0% in May, the lowest level since March 2021. US GDP growth at 2% annualised in the first calendar quarter of 2023 was also significantly stronger than expected against the initial estimate of 1.3%.

- 2.2.9 In the Euro Zone, the picture was somewhat different. The European Central Bank (ECB) maintained its hawkish tone and increased its key deposit, main refinancing, and marginal lending interest rates to 3.50%, 4.00% and 4.25% respectively. There were signs of weakening activity, particularly in Germany whose manufacturing sector has been impacted by high energy prices and weaker global demand. However, inflation remained sticky; annual headline CPI fell to 5.5% in June while annual core inflation rose to 5.4% from 5.3%, which means the ECB is unlikely to stop monetary tightening.

### Financial Markets

- 2.2.10 Financial market sentiment and bond yields remained volatile, the latter continuing their general upward trend as uncertainty and concern over higher inflation and higher interest rates continued to dominate.
- 2.2.11 Gilt yields rose over the period. The 5-year UK benchmark gilt yield rose from 3.30% to 4.67%, the 10-year gilt yield from 3.43% to 4.39%, and the 20-year yield from 3.75% to 4.51%. The Sterling Overnight Index Average (SONIA) rate averaged 4.37% over the quarter.

### Credit Review

- 2.2.12 Having completed a review of its credit advice on unsecured deposits at UK and non-UK banks following concerns of a wider financial crisis after the collapse of Silicon Valley Bank and the purchase of Credit Suisse by UBS, as well as other well-publicised banking sector issues, in March, Arlingclose reduced the advised maximum duration limit for all banks on its recommended counterparty list to 35 days.
- 2.2.13 Over the period, Standard and Poors (S&P) upgraded the NatWest Group and related entities to A+ (except NatWest Markets which was upgraded to A), revised the UK sovereign outlook to stable from negative, and upgraded both Barclays Bank PLC and Barclays Bank UK PLC to A+.
- 2.2.14 Fitch put the US sovereign rating on Rating Watch Negative following increased political partisanship which at the time was hindering the latest resolution to raising the debt ceiling. It also upgraded the outlook on the United Overseas Bank to stable, the outlook on the Clydesdale Bank to positive, and the outlook on the Bank of Montreal to stable.
- 2.2.15 Moody's withdrew Guildford BC's rating (who chose not to continue being rated) and affirmed the Aaa rating of the European Investment Bank.
- 2.2.16 Arlingclose continued to monitor and assess credit default swap levels for signs of ongoing credit stress but made no changes to the counterparty list or recommended durations over the quarter. Nevertheless, heightened market volatility is expected to remain a feature, at least in the near term and, as ever, the institutions and durations on the Authority's counterparty list recommended by Arlingclose remain under constant review.

## **2.3 The Oldham Council Treasury Position**

- 2.3.1 On 31 March 2023, the Authority had net borrowing of £90.216m arising from its revenue and capital income and expenditure. This had fallen to £80.516m by the end of Quarter 1.
- 2.3.2 The actual and planned level of capital expenditure are the drivers of borrowing for capital purposes. Appendix 1 shows the actual level of capital expenditure at the end of 2022/23 and includes the Quarter 1 forecast for 2023/24, 2024/25 and 2025/26. It also shows the financing including the level of prudential borrowing.
- 2.3.3 The underlying need to borrow for capital purposes is measured by the Capital Financing Requirement (CFR), while balance sheet resources are the underlying resources available for investment. These factors are summarised in Table 1 below.

**Table 1 - Balance Sheet Summary**

	31 March 2023 Actual £'000	31 March 2024 Forecast £'000
General Fund CFR	465,723	493,124
HRA CFR	-	-
<b>Total CFR</b>	<b>465,723</b>	<b>493,124</b>
Less: Other debt liabilities PFI	204,339	193,787
<b>Borrowing CFR</b>	<b>261,384</b>	<b>299,337</b>
External borrowing	160,996	185,996
<b>Internal borrowing</b>	<b>100,388</b>	<b>113,341</b>
Less: Usable Balance Sheet Resources	(154,194)	(145,453)
Less: Working capital	(25,713)	(25,713)
<b>Net Investments</b>	<b>(79,519)</b>	<b>(57,825)</b>

- 2.3.4 Table 1 shows the forecast CFR for 2023/24 is £493.124m, an increase of £27.401m compared to £465.723m at the end of 2022/23, but a reduction compared to the CFR of £503.278m approved in the 2023/24 Treasury Management Strategy at the 2023/24 Budget Council meeting. The CFR excluding other debt liabilities relating to Private Finance Initiative schemes is forecast at £299.337m an increase of £37.953m compared to the position at the end of 2022/23.
- 2.3.5 The table clearly highlights that the Council borrowing is well below the CFR and the Council is currently maintaining an under-borrowed position. This means that the capital borrowing need (CFR) has not been fully funded with loan debt as cash supporting the Council's reserves, balances and cash flow has been used as a temporary measure. This strategy has been prudent in recent years as investment returns have been low and counterparty risk is still an issue that needs to be considered. This along with raising interest rates for external debt means that the Council will continue to analyse and assess the market to determine the optimum time to externally borrow.
- 2.3.6 The treasury management position as at 30 June 2023 and the change over the quarter is shown in Table 2 below.

**Table 2 - Treasury Management Summary**

Borrowing/Investments	31 March 2023 Balance £'000	Movement £'000	30 June 2023 Balance £'000	30 June 2023 Average Rate %
Long-term borrowing				
- Public Works Loan Board	35,241	-	35,241	2.81%
- Lender Option Borrowing Option	85,500	-	85,500	4.33%
- Other	40,001	-	40,001	4.03%
Short-term borrowing	254	-	254	-
<b>Total Borrowing</b>	<b>160,996</b>	<b>-</b>	<b>160,996</b>	<b>-</b>
Long-term investments	15,000	-	15,000	4.25%
Short-term investments	20,000	(12,000)	8,000	4.28%
Cash and cash equivalents	35,780	21,700	57,480	4.35%
<b>Total Investments</b>	<b>70,780</b>	<b>9,700</b>	<b>80,480</b>	
<b>Net Borrowing (total borrowing less total investments)</b>	<b>90,216</b>		<b>80,516</b>	

As can be seen in the table above, borrowing has remained the same in the first three months of the year. However, borrowing is likely to increase during the year in line with planned capital expenditure. Overall, the level of investments has increased £9.700m since the end of 2022/23 due to the cash position of the Council.

## 2.4 **Borrowing**

- 2.4.1 CIPFA's 2021 Prudential Code is clear that Local Authorities must not borrow to invest primarily for financial return and that it is not prudent for Local Authorities to make any investment or spending decision that will increase the capital financing requirement and so may lead to new borrowing, unless directly and primarily related to the functions of the Authority.
- 2.4.2 Public Works Loan Board (PWLB) loans are no longer available to Local Authorities planning to buy investment assets primarily for yield unless these loans are for refinancing purposes.
- 2.4.3 Oldham Council has not invested in assets primarily for financial return or that are not primarily related to the functions of the Council, and it has no plans to do so in future.
- 2.4.4 The chief objective when borrowing has been to strike an appropriately low risk balance between securing low interest costs and achieving cost certainty over the period for which funds are required, with flexibility to renegotiate loans should the Authority's long-term plans change being a secondary objective. The Authority's borrowing strategy continues to address the key issue of affordability without compromising the longer-term stability of the debt portfolio.
- 2.4.5 There has been a substantial rise in the cost of both short and long-term borrowing over the last 18 months. In this reporting period (Q1), the Bank Rate rose from 4.25% at the beginning of April to 5.0% at the end of the first quarter and was also significantly higher than its level of 1.25% at the end of June 2022.
- 2.4.6 Gilt yields have faced upward pressure since early April following signs that UK growth has been more resilient and inflation stickier than expected. Consequently, PWLB borrowing rates continued to rise over the quarter. On 30 June, the PWLB certainty rates for maturity loans were 5.25% for 10-year loans, 5.36% for 20-year loans and 4.95% for 50-year loans. Their equivalents on 31 March 2023 were 4.33%, 4.70% and 4.41% respectively.
- 2.4.7 As at 30 June Oldham Council held £160.996m of loans. There has been no new borrowing undertaken in the first three months of the year so no movement from the position 31 March 2023. Outstanding loans on 30 June (borrowing position) are summarised in Table 3 below.

**Table 3 - Borrowing Position**

Borrowing Sources	31 March 2023 Balance	Movement	30 June 2023 Balance	30 June 2023 Weighted Average Rate %	30 June 2023 Weighted Average Maturity (years)
	£'000	£'000	£'000		
Public Works Loan Board	35,241	-	35,241	2.81%	18.12
Banks (LOBO)	85,500	-	85,500	4.33%	43.43
Banks (fixed term)	40,000	-	40,000	4.03%	46.05
Local Bonds (long-term)	1	-	1	1.00%	-
Local Bonds (short-term)	22	-	22	0.00%	-
Local Charitable Trusts (short-term)	231	-	231	1.94%	1
<b>Total Borrowing</b>	<b>160,996</b>	<b>-</b>	<b>160,996</b>		

LOBO Loans

- 2.4.8 Oldham Council continues to hold £85.500m of LOBO (Lender's Option Borrower's Option) loans where the lender has the option to propose an increase in the interest rate at set dates, following which the Council has the option to either accept the new rate and terms or to repay the loan at no additional cost.
- 2.4.9 With market interest rates having risen, the probability of LOBOs being called has been higher than in the recent past. A total of £25.000m of LOBO loans had annual/semi-annual call option dates during the April-June quarter, however no lender exercised their option.
- 2.4.10 Currently Oldham Council has £40.500m LOBO loans with call dates during the remaining nine months of this financial year. Of this sum, £30.500m is held with Dexia Finance, and the remaining £10.000m split with two other providers, Danske Bank and KA Finanz. At the time of writing no call options have been exercised.
- 2.4.11 Council officers have liaised with treasury management advisors, Arlingclose, over the likelihood of the options being exercised for LOBO's within the loan portfolio. If the option is exercised the Authority plans to repay the loan at no additional cost. If required, the Authority will repay the LOBO loans with available cash or by borrowing from alternative sources or the PWLB, always providing that overall savings can be demonstrated.

**2.5 Treasury Investment Activity**

- 2.5.1 CIPFA published a revised the Treasury Management in the Public Services Code of Practice and Cross-Sectoral Guidance Notes on 20 December 2021. These define treasury management investments as investments that arise from the organisation's cash flows or treasury risk management activity that ultimately represents balances that need to be invested until the cash is required for use in the course of business.
- 2.5.2 At 30 June, the Council held £80.480m invested funds, representing income received in advance of expenditure plus balances and reserves held. During the first quarter of 2022/23, the Authority's investment balances ranged between £70.870m and £80.480m due to timing differences between income and expenditure. The investment position is shown in Table 4 below.



**Table 4 - Treasury Investment Position**

Investment Placements	31 March 2023 Balance £'000	Movement £'000	30 June 2023 Balance £'000	30 June 2023 Income Return %
Banks & Building Societies (unsecured)	10,000	(10,000)	-	4.06%
Government (incl. Local Authorities)	10,000	(2,000)	8,000	4.35%
Money Market Funds	35,780	21,700	57,480	4.35%
Property Pooled Fund	15,000	-	15,000	4.25%
<b>Total investments</b>	<b>70,780</b>	<b>9,700</b>	<b>80,480</b>	

- 2.5.3 Both the CIPFA Code and Government guidance require the Authority to invest its funds prudently, and to have regard to the security and liquidity of its treasury investments before seeking the optimum rate of return, or yield. The Authority's objective when investing money is to strike an appropriate balance between risk and return, minimising the risk of incurring losses from defaults and the risk of receiving unsuitably low investment income.
- 2.5.4 As demonstrated by the liability benchmark in this report, the Authority expects to be a long-term borrower and new treasury investments are therefore primarily made to manage day-to-day cash flows using short-term low risk instruments. The existing portfolio of strategic pooled funds will be maintained to diversify risk into different sectors and boost investment income.
- 2.5.5 Bank Rate increased by 0.75%, from 4.25% at the beginning of April to 5% by the end of June, with the prospect of further increases to come. Short-dated cash rates rose commensurately, with 3-month rates rising to around 5.25% and 12-month rates to nearly 6%. Money Market Rates for the quarter were between 4.04% and 4.80%.
- 2.5.6 The Council in previous years has invested £15.000m in the Churches, Charities & Local Authorities (CCLA) pooled property fund. As this is a longer-term investment and there has been no change in the value held over the quarter.
- 2.5.7 UK property markets continued to struggle as higher interest rates and bond yields and higher funding costs weighed on the sector. There was some improvement in May, building on signs of returning investor interest and transactional activity in calendar Q1 and a perception that the downturn in commercial real estate may be bottoming out. This has helped support capital values and rental income. The additional move upwards in yields in late May/June and the prospect of sluggish economic growth however constrain the outlook.
- 2.5.8 The combination of the above has had no effect on the combined value of the Authority's property funds since March 2023. Income returns remained broadly consistent at 4.25%.
- 2.5.9 The change in the Authority's funds' capital values and income return over the 3-month period is shown in Table 4.
- 2.5.10 The Authority has budgeted income from these investments in 2023/24. Income received for the period up to 30 June was £0.156m.
- 2.5.11 The Council's investments have no defined maturity date, but are available for withdrawal after a notice period, but their performance and continued suitability in meeting the Councils medium to long-term investment objectives are regularly reviewed. Strategic fund investments are made in the knowledge that capital values will move both up and down on months, quarters and even years; but with the confidence that over a three to five-year period

total returns will exceed cash interest rates.

### Statutory Override

2.5.12 In April 2023 the Department for Levelling Up, Housing and Communities published the full outcome of the consultation on the extension of the statutory override on accounting for gains and losses on pooled investment funds. The override has been extended for 2 years until 31 March 2025, but no other changes have been made; whether the override will be extended beyond the new date is unknown but commentary on the consultation outcome suggests not. The Council will discuss with Arlingclose the implications for the investment strategy and what the future implications will be. Any future Treasury Management Strategies will be revised accordingly.

## 2.6 Treasury Team Performance

2.6.1 The Treasury Team measures the financial performance of its treasury management activities both in terms of its impact on the revenue budget and its relationship to benchmark interest rates, as shown in Table 5 below.

**Table 5 – Treasury Team Performance**

	Budgeted Performance Rates / Benchmark SONIA Return %	Benchmark SONIA Return % Plus 5%	Actual Return
			%
Budgeted Investment Rates	4.400%		4.504%
Overnight SONIA	4.379%	4.598%	4.504%

2.6.2 The budgeted investment rate of 4.40% above included within the annual strategy for 2023/24 was based on the average rate over the full financial year as expectations were for a number of interest rate rises to take place during 2023/24. The actual rate achieved in the first quarter exceeds this budgeted rate.

2.6.3 Previously the benchmark return was measured on the London Interbank Bid Rate (LIBID) which was a forward-looking interest rate. The Bank of England replaced LIBID with SONIA in December 2021. SONIA is calculated differently to LIBID in that it is a backward-looking rate, based on actual results. In a rapidly increasing interest rate environment SONIA can increase quicker than the existing portfolio of investments. This can be shown above as the actual return is slightly lower than the benchmark.

2.6.4 The Director of Finance reports that all treasury management activities undertaken during the quarter complied fully with the principles in the Treasury Management Code and the Council's approved Treasury Management Strategy. Compliance with specific investment limits is demonstrated in Table 6 below.

**Table 6 - Investment Limits**

Investment Limit	Maximum during Q1 2023/24 £'000	Actual Position at 30 June 2023 £'000	Maximum Allowable in 2023/24 £'000	Compliance Yes/No
Any single organisation, except the UK Government	10,000	5,000	30,000	Yes
Any group of organisations under the same ownership	10,000	-	20,000	Yes
Any group of pooled funds under the same management	15,000	15,000	15,000	Yes
Unsecured investments with building societies	-	-	20,000	Yes
Money Market Funds	66,330	57,840	80,000	Yes
Strategic Pooled Funds	15,000	15,000	15,000	Yes

2.6.5 Compliance with the Operational Boundary and Authorised Limit for external debt is demonstrated in Table 7 below.

**Table 7 – Operational Boundary and Authorised Limit**

Borrowing /Limits	Actual Position at 30 June 2023 £'000	2023/24 Operational Boundary £'000	2023/24 Authorised Limit £'000	Compliance Yes/No
Borrowing	160,996	312,000	332,000	Yes
PFI and Finance Leases	193,787	196,500	201,500	Yes
<b>Total Gross Borrowing / Limit</b>	<b>354,782</b>	<b>508,500</b>	<b>533,500</b>	Yes

2.6.6 The Operational Boundary represents the expected borrowing position for the Council for the year and was set at £508.500m.

2.6.7 The Authorised Limit is the “affordable borrowing limit” required by Section 3 of the Local Government Act 2003 and for 2023/24 was set at £533.500m. Once this has been set, the Council does not have the power to borrow above this level although it can be revised if required.

2.6.8 Since the Operational Boundary is a management tool for in-year monitoring it is not significant if the Operational Boundary is breached on occasions due to variations in cash flow, and this is not counted as a compliance failure. No breaches have occurred, and it is not anticipated that there will be any breaches in 2023/24.

## 2.7 Treasury Management Prudential Indicators

2.7.1 As required by the 2021 CIPFA Treasury Management Code, the Authority monitors and measures the following treasury management prudential indicators.

## Liability Benchmark

- 2.7.2 This new indicator compares the Authority's actual existing borrowing against a liability benchmark that has been calculated to show the lowest risk level of borrowing. The liability benchmark is an important tool to help establish whether the Council is likely to be a long-term borrower or long-term investor in the future, and so shape its strategic focus and decision making. It represents an estimate of the cumulative amount of external borrowing that the Council must hold to fund its current capital and revenue plans while keeping treasury investments at the minimum level of £10.000m, the level required to manage day-to-day cash flow.

**Table 8 - Liability Benchmark**

Liability Benchmark Measurement	31 March 2023 Actual £'000	31 March 2024 Forecast £'000	31 March 2025 Forecast £'000	31 March 2026 Forecast £'000
Loans CFR	262,800	313,800	363,400	387,100
Less: Balance sheet resources	181,254	157,700	157,700	157,700
<b>Net loans requirement</b>	<b>81,546</b>	<b>156,100</b>	<b>205,700</b>	<b>229,400</b>
Plus: Liquidity allowance	10,000	10,000	10,000	10,000
<b>Liability benchmark</b>	<b>91,546</b>	<b>166,100</b>	<b>215,700</b>	<b>239,400</b>
<b>Existing /forecast borrowing</b>	<b>160,996</b>	<b>166,996</b>	<b>215,796</b>	<b>239,396</b>

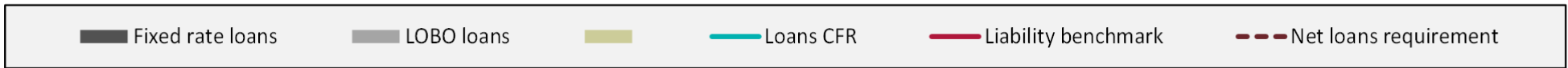
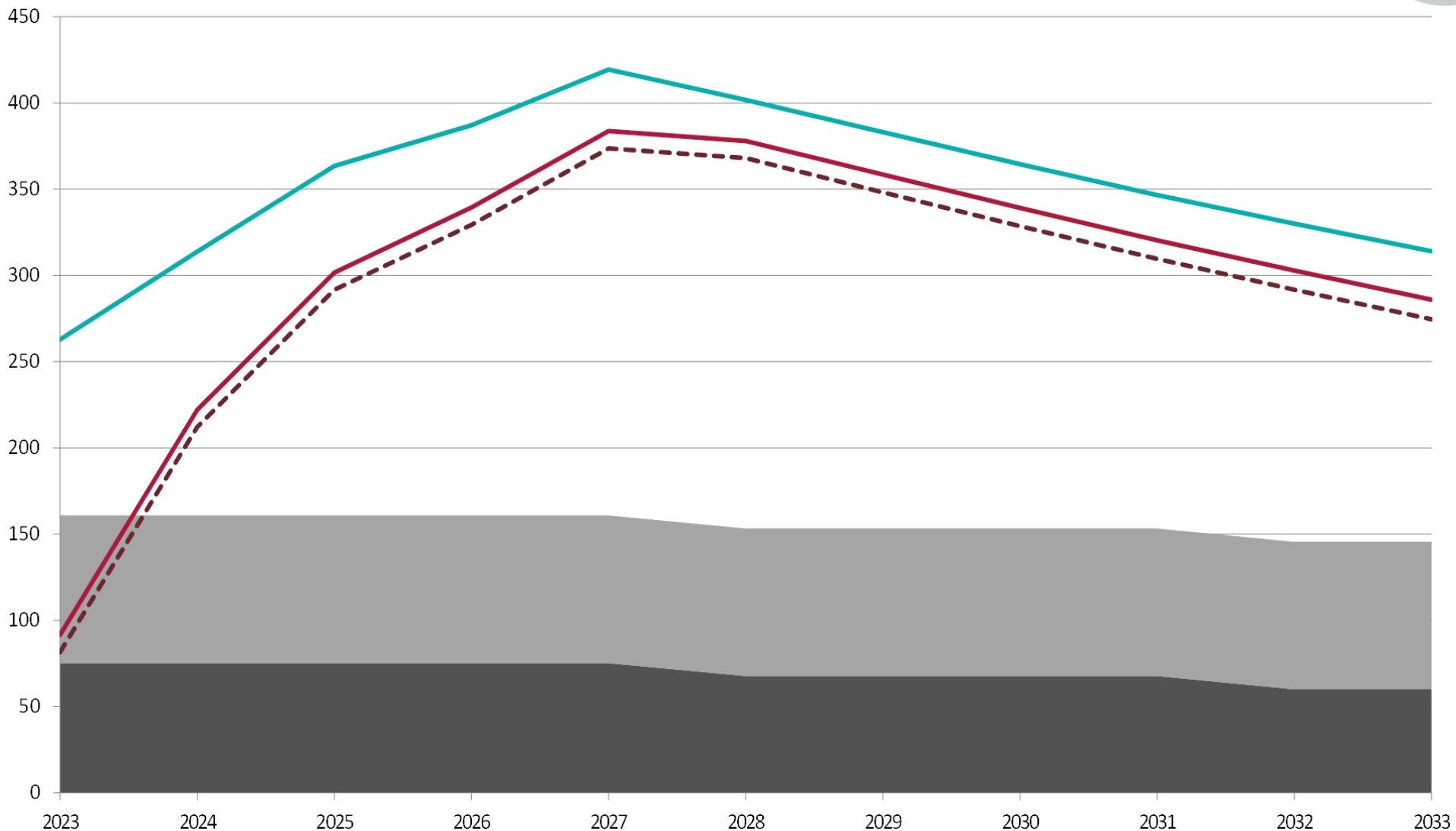
- 2.7.3 As demonstrated by the liability benchmark in table 8 above, the Council expects to be a long-term borrower to finance the expected capital spend. There could be timing differences between when the Council externally borrows compared to when the expenditure is required due to the nature of capital works, but new treasury investments are therefore primarily made to manage day-to-day cash flows using short-term low risk instruments. The existing portfolio of strategic pooled funds will be maintained to diversify risk into different sectors and boost investment income.
- 2.7.4 Following on from the medium-term forecast above, the long-term liability benchmark assumes capital expenditure funded by borrowing. Minimum Revenue Provision on new capital expenditure is forecast based on a 25 year asset life. This is shown in the chart below together with the maturity profile of the Authority's existing borrowing

### Liability Benchmark - Oldham MBC



£m

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- 2.7.5 Table 9 below sets out the maturity structure of borrowing at the end of the first quarter of 2023/24 compared to the upper and lower limits set in the Treasury Management Strategy for 2023/24.

**Table 9 - Maturity Structure of Borrowing**

Borrowing Timeframe	Upper Limit	Lower Limit	30 June 2023 Actual	Compliance Yes/No
Under 12 months	40%	0%	34.53%	Yes
12 months and within 24 months	40%	0%	3.11%	Yes
24 months and within 5 years	40%	0%	20.22%	Yes
5 years and within 10 years	40%	0%	4.82%	Yes
10 years to 20 years	50%	0%	3.11%	Yes
20 years to 30 years	50%	0%	3.11%	Yes
30 years to 40 years	50%	0%	3.11%	Yes
40 years to 50 years	50%	0%	15.55%	Yes
50 years to 60 years	50%	0%	12.44%	Yes

- 2.7.6 Time periods start on the first day of each financial year. The maturity date of borrowing is the earliest date on which the lender can demand repayment. In the case of LOBO loans, the next option date has been used as the measure to determine if it is potentially repayable.

Long-term Treasury Management Investments

- 2.7.7 The purpose of the Long-Term Treasury Management indicator is to control the Authority's exposure to the risk of incurring losses by seeking early repayment of its investments. The prudential limits on the long-term treasury management limits are set out in the table below.

**Table 10- Limit / Actual Investments exceeding one year**

Limit /Actual Investments Exceeding One Year	2023/24	2024/25	2025/26	No fixed date
Limit on principal invested beyond year end	£50m	£50m	£50m	£50m
Actual principal invested beyond year end	£15m	-	-	-
Compliance – Yes/No?	Yes	N/A	N/A	N/A

- 2.7.8 Long-term investments with no fixed maturity date include strategic pooled funds. For the Council, this is currently the CCLA Property Fund. Long term investments exclude money market funds and bank accounts with no fixed maturity date as these are considered short-term investments.

**2.8 Other Key Issues**

- 2.8.1 The Council has a number of Lender Option Borrower Option (LOBO) loans that have a call date during the summer months. The lender has the option to increase the interest rate when each loan reaches its call date. As the Council is now operating in a rising interest rate environment, there may be opportunities to repay the Council's historical LOBO borrowing. The Council will investigate all opportunities and will ensure any repayments create revenue savings.

### **3 Options/Alternatives**

3.1 In order that the Council complies with the Chartered Institute of Public Finance and Accountancy's (CIPFA) Code of Practice on Treasury Management the Cabinet it has no option other than to consider and approve the contents of the report and commend it to Council. Therefore, no options/alternatives have been presented.

### **4 Preferred Option**

4.1 The preferred option is that the contents of the report are agreed by Cabinet and commended to Council for approval.

### **5 Consultation**

5.1 There has been consultation with the Council's, Treasury Management Advisors, Arlingclose in the production of this report.

5.2 The Audit Committee is charged with the scrutiny of treasury management activities for Oldham Council, and it therefore considered and approved the contents of the Quarter One report at its meeting on 5 September 2023. All questions asked by Committee Members were answered to their satisfaction. The presentation of the Treasury Management Quarter One 2023/24 report to the Audit Committee was in compliance with the CIPFA Code of Practice.

5.3 The Committee was therefore content to commend the report to Cabinet and then subsequently Council for approval.

### **6 Financial Implications**

6.1 All included within the report.

### **7 Legal Services Comments**

7.1 None.

### **8 Co-operative Agenda**

8.1 The Council ensures that any Treasury Management decisions comply as far as possible with the ethos of the Co-operative Council.

### **9 Human Resources Comments**

9.1 None.

### **10 Risk Assessments**

10.1 There are considerable risks to the security of the Authority's resources if appropriate treasury management strategies and policies are not adopted and followed. The Council has established good practice in relation to treasury management which has previously been acknowledged in both Internal and the External Auditors' reports presented to the Audit Committee.

### **11 IT Implications**

11.1 None.

**12 Property Implications**

12.1 None.

**13 Procurement Implications**

13.1 None.

**14 Environmental and Health & Safety Implications**

14.1 None.

**15 Equality, community cohesion and crime implications**

15.1 None.

**16 Equality Impact Assessment Completed?**

16.1 An Equality Impact Assessment is included at Appendix 2.

**17 Key Decision**

17.1 Yes

**18 Key Decision Reference**

18.1 FLC 14-23

**19 Background Papers**

19.1 The following is a list of the background papers on which this report is based in accordance with the requirements of Section 100(1) of the Local Government Act 1972. It does not include documents, which would disclose exempt or confidential information as defined by that Act.

File Ref: Background papers are contained with Appendices 1 and 2.  
Officer Name: Lee Walsh/Talei Whitmore  
Contact No: 0161 770 6608 / 4424

**20 Appendices**

Appendix 1 - Prudential and Treasury Indicators  
Appendix 2 – Equality Impact Assessment



## Appendix 1 - Prudential and Treasury Indicators

The following tables shows a summary of the prudential indicators for Quarter One 2023/24.

### Capital Expenditure

Capital Expenditure/Financing	2022/23 Actual £'000	2023/24 Forecast £'000	2024/25 Budget £'000	2025/26 Budget £'000
<b>Expenditure</b>				
General Fund services	58,577	102,748	110,870	55,839
HRA	210	1,000	500	95
<b>Total Capital Expenditure</b>	<b>58,787</b>	<b>103,748</b>	<b>111,370</b>	<b>55,934</b>
<b>Financing</b>				
Grants & Contributions	(32,411)	(39,962)	(50,140)	(10,469)
Prudential Borrowing	(16,868)	(54,428)	(57,433)	(43,966)
Revenue	(237)	(1,063)	(500)	(95)
Capital Receipts	(9,271)	(8,295)	(3,297)	(1,404)
<b>Total Financing</b>	<b>(58,787)</b>	<b>(103,748)</b>	<b>(111,370)</b>	<b>(55,934)</b>

### Capital Financing Requirement (CFR)

Capital Financing Requirement	31 March 2023 Actual £'000	31 March 2024 Forecast £'000	31 March 2025 Budget £'000	31 March 2026 Budget £'000
General Fund Services	465,723	493,124	530,488	541,248
<b>Total CFR</b>	<b>465,723</b>	<b>493,124</b>	<b>530,488</b>	<b>541,248</b>

### Gross Borrowing and the Capital Financing Requirement

Gross Borrowing /CFR	31 March 2023 Actual £'000	31 March 2024 Forecast £'000	31 March 2025 Budget £'000	31 March 2026 Budget £'000	Debt at 30 June 2023 £'000
Gross Borrowing (incl. PFI & leases)	365,335	379,782	418,481	421,398	354,782
Capital Financing Requirement	465,723	493,124	530,488	541,248	-

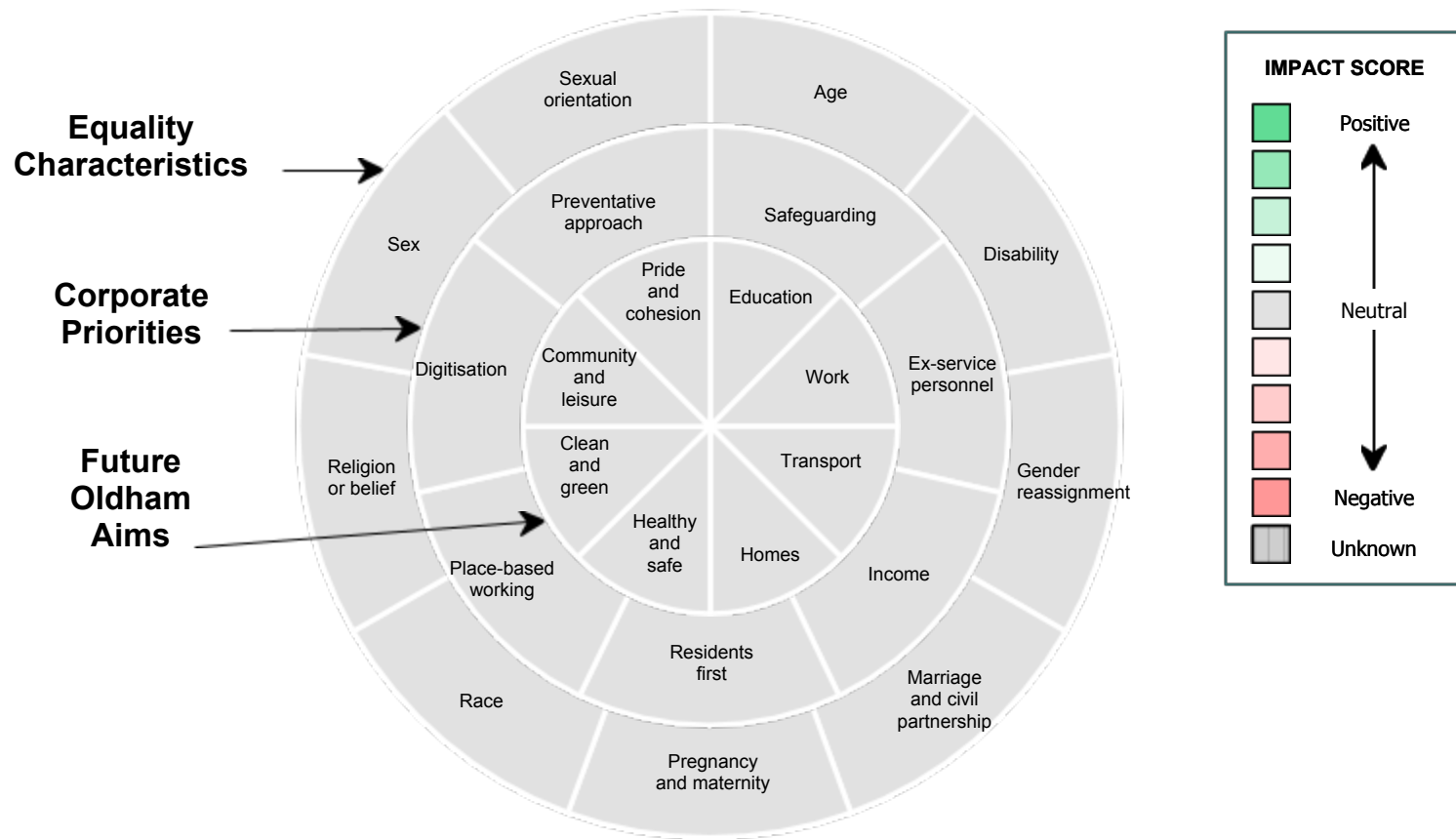
### Debt and the Authorised Limit and Operational Boundary

Debt	Debt at 30 June 2023	2023/24 1 Quarter Estimate Operational Boundary	2023/24 1 Quarter Estimate Authorised Limit	Compliance? Yes/No
	£'000	£'000	£'000	
Borrowing	160,996	312,000	322,000	Yes
PFI and Finance Leases	193,787	196,500	201,500	Yes
<b>Total Debt</b>	<b>354,782</b>	<b>508,500</b>	<b>533,500</b>	

### Proportion of Financing Costs to Net Revenue Stream

Financing Cost/Net Revenue Stream	2022/23 Actual £'000	2023/24 Forecast £'000	2024/25 Budget £'000	2025/26 Budget £'000
Financing costs (£m)	24,124	32,609	38,417	40,953
Proportion of net revenue stream	8.81%	11.91%	14.03%	14.95%

Treasury Management Quarter 1 Review 2023/24



Treasury Management Ex Review Quarter 1 2023/24				
	Impact	Likelihood	Duration	Comment
<b>Equality Characteristics</b>				
Age	Neutral	Possible	Short Term	The report considers the performance of the Treasury Management function (within Finance) for quarter 1 2023/24 and as such, in isolation has no direct impact on Equality
Disability	Neutral	Possible	Short Term	As Above
Gender reassignment	Neutral	Possible	Short Term	As Above
Marriage and civil partnership	Neutral	Possible	Short Term	As Above
Pregnancy and maternity	Neutral	Possible	Short Term	As Above
Race	Neutral	Possible	Short Term	As Above
Religion or belief	Neutral	Possible	Short Term	As Above
Sex	Neutral	Possible	Short Term	As Above
Sexual orientation	Neutral	Possible	Short Term	As Above
<b>Corporate Priorities</b>				
Safeguarding	Neutral	Possible	Short Term	The report considers the performance of the Treasury Management function (within Finance) for quarter 1 2023/24 and as such, in isolation has no direct impact on Corporate Priorities
Ex-service personnel	Neutral	Possible	Short Term	As Above
Income	Neutral	Possible	Short Term	As Above
Residents first	Neutral	Possible	Short Term	As Above
Place-based working	Neutral	Possible	Short Term	As Above
Digitisation	Neutral	Possible	Short Term	As Above
Preventative approach	Neutral	Possible	Short Term	As Above
<b>Future Oldham Aims</b>				
Education	Neutral	Possible	Short Term	The report considers the performance of the Treasury Management function (within Finance) for quarter 1 2023/24 and as such, in isolation has no direct impact on Future Oldham Aims
Work	Neutral	Possible	Short Term	As Above
Transport	Neutral	Possible	Short Term	As Above
Homes	Neutral	Possible	Short Term	As Above
Healthy and safe	Neutral	Possible	Short Term	As Above
Clean and green	Neutral	Possible	Short Term	As Above
Community and leisure	Neutral	Possible	Short Term	As Above
Pride and cohesion	Neutral	Possible	Short Term	As Above

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## **Report to Governance, Strategy and Resources Scrutiny Board**

# **Revenue Monitor and Capital Investment Programme 2023/24 Quarter 1 – June 2023**

**Portfolio Holder:** Cllr Abdul Jabbar MBE, Cabinet Member for Finance and Corporate Resources

**Officer Contact:** Anne Ryans, Director of Finance

**Report Author:** Andy Cooper, Senior Finance Manager  
**Ext. 4925**

**5 October 2023**

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### **Purpose of Report**

The report provides the Governance, Strategy and Resources Scrutiny Board the opportunity to review the first budget monitoring report for the financial year 2023/24 (Attachment 1). It is therefore able to consider the key information relating to the forecast revenue budget position and the financial position of the capital programme at 30 June 2023 (Quarter 1), together with the revised capital programme covering the period 2023/24 to 2027/28.

### **Executive Summary**

The Governance, Strategy and Resources Scrutiny Board is presented with the report: Revenue Monitor and Capital Investment Programme 2023/24 Quarter 1 – June 2023 (Attachment 1), enabling the Board to review the financial position of the Council. The report has been considered and approved at the meeting of Cabinet on 21 August 2023 and was reviewed by the Audit Committee at its meeting on 5 September 2023.

The report presents the current forecast revenue outturn position for 2023/24 at Quarter 1 which shows an adverse forecast outturn position of £12.104m, together with the forecast outturn for the Dedicated Schools Grant (DSG), Housing Revenue Account (HRA) and Collection Fund. The report also outlines the most up to date capital spending forecasts for 2023/24 to 2027/28 for approved schemes.

As this financial monitoring report reflects the financial position at Quarter 1, it can be regarded as an early warning of the potential year- end position if no further action is taken to reduce net revenue expenditure where possible. The management action initiated in 2022/23 across all service areas to review and challenge planned expenditure and to maximise income has had to be continued in 2023/24. Although, the impact of this action has yet to take full effect in the current financial year, it is anticipated that by the year end, the current outturn deficit position should be reduced. This should start to be demonstrated in the update reports which are to be presented to Cabinet and this Board at months 6, 8 and 9.

### **Recommendation**

That the Governance, Strategy and Resources Scrutiny Board considers the financial position of the Council as presented in the attached report.

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## Attachment 1

### Report to Cabinet



# Revenue Monitor and Capital Investment Programme 2023/24 Quarter 1 – June 2023

**Portfolio Holder:** Councillor Abdul Jabbar MBE, Cabinet Member for Finance & Corporate Resources

**Officer Contact:** Anne Ryans, Director of Finance

**Report Author:** Anne Ryans, Director of Finance  
**Ext. 4902**

**21 August 2023**

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### Reason for Decision

The report provides Cabinet with an update as at 30 June (Quarter 1) of the Council's 2023/24 forecast revenue budget position (at Annex 1) and the financial position of the capital programme together with the revised capital programme 2023/24 to 2027/28 (at Annex 2), as outlined in section two of the report.

### Executive Summary

#### Revenue Position

The forecast outturn position for 2023/24 is a projected deficit variance of £12.104m after allowing for approved and pending transfers to and from reserves.

Unlike 2022/23, when £12.000m of corporate resources were held to offset costs arising from the legacy of the COVID-19 pandemic, the budget for 2023/24 has been prepared so that anticipated COVID legacy costs are consolidated within the mainstream budgets of Children's Social Care and Community Health and Adult Social Care.

An update on the major issues driving the projections is detailed within Annex 1, Section 2.

As this financial monitoring report reflects the financial position at Quarter 1, it can be regarded as an early warning of the potential year- end position if no further action is taken to reduce net expenditure where possible. The management action initiated in 2022/23 across all service areas to review and challenge planned expenditure and to maximise income has had to be continued in 2023/24. Although, the impact of this action has yet to take full effect in the current financial year, it is anticipated that by the year end, the current

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outturn deficit position should be reduced. This should start to be demonstrated in the update reports which are to be presented to Cabinet at months 6, 8 and 9.

Information on the Quarter 1 position of the Dedicated Schools Grant (DSG), Housing Revenue Account (HRA) and Collection Fund is also outlined in the report.

The 2022/23 DSG outturn was a cumulative surplus of £0.899m; the first time that a surplus has been reported since 2016/17, representing the achievement of a major financial milestone for the Council. Future projections continue to improve with forecast surpluses of £2.517m and £2.765m in 2023/24 and 2024/25 respectively. Action will continue to be taken with the aim of mitigating cost pressures and delivering and maintaining the surplus position.

There are currently no significant issues of concern in relation to the HRA.

The Collection Fund is forecasting an in-year surplus of £1.638m, with the Council's proportion of this surplus being £1.700m. The Collection Fund is a particularly volatile area to forecast with many variables, including the impact of Government Business Rate reliefs, therefore, this area will be closely monitored over the remaining months. Information will be available later in the year to determine if / how a surplus or deficit on the Collection Fund will impact on the 2024/25 Council budget.

### **Capital Position**

The report outlines the most up to date capital spending position for 2023/24 to 2027/28 for approved schemes. The revised capital programme budget for 2023/24 is £103.748m at the close of Quarter 1, a net decrease of £6.557m from the original budget approved at Council on 1 March 2023 of £110.305m. Actual expenditure to 30 June 2023 was £12.405m (11.96% of the forecast outturn).

It is likely that the forecast position will continue to change throughout the year with additional re-profiling into future years.

### **Recommendations**

That Cabinet approves the:

1. Forecast revenue outturn for 2023/24 at Quarter 1 being a £12.104m adverse variance and action being taken to manage expenditure
2. Forecast positions for the Dedicated Schools Grant, Housing Revenue Account and Collection Fund
3. Revised capital programme for 2023/24 and the forecast for the financial years to 2027/28 as at Quarter 1.



**Revenue Monitor and Capital Investment Programme 2023/24 Quarter 1 – June 2023****1 Background**

- 1.1 The Authority's 2022/23 revenue budget and capital programme was approved by Council on 1 March 2023. Under established budget procedures, all services are required to monitor and review their approved revenue and capital budgets during the financial year. This is reported to Cabinet on a quarterly basis with an additional report at month 8 which is used to inform the budget setting process for the following financial year.
- 1.2 As part of the budget monitoring process, the forecast year-end position for revenue and capital has been prepared by all services as follows:
- a) The revenue forecast is based on a comparison of profiled budgets to the actual position as at the end of Quarter 1 together with known commitments, issues and planned management actions.
  - b) The capital programme forecast has been based on notified revisions to the approved 2023/24 position including the final 2022/23 outturn, new grant notifications and an initial rephasing of the approved capital programme.
- 1.3 As the year progresses the outturn projections will reflect the evolving position and the impact of management actions put in place to mitigate in-year pressures, new developments and changes in the profile of planned expenditure and of course any additional support that the Government may provide.

**2. Current position**

- 2.1 The forecast revenue outturn for 2023/24 is an adverse variance of £12.104m after the application of £7.385m of reserves. Further details of the current revenue budget position and a full description of the forecast can be found in Annex 1. There are three areas which are forecasting pressures at Quarter 1, totalling £14.957m. There are pressures within Community Health and Adult Social Care of £0.518m, Place and Economic Growth of £3.553m and more significantly, Children's Services of £10.886m. Favourable variances totalling £2.853m which are offsetting these pressures are reported in Public Health at £0.250m, Communities at £0.128m, Corporate Services at £0.586m and Capital, Treasury and Technical Accounting at £1.888m.
- 2.2 It should be noted that four of the approved 2023/24 Budget Reductions are classified 'Red' and are forecast not to be delivered, one within Communities, one within Place and Economic Growth and two within Corporate Services all with a combined value of £0.108m which has been factored into the forecasts. In addition, one Budget Reduction within Children's Services is rates 'Amber/Red' and will only deliver £0.020m of the approved £0.060m, therefore, £0.040m has been factored into the forecasts as undeliverable. A further seven Budget Reductions have been rated as 'Amber' with a combined value of £2.252m. These will continue to be monitored throughout the year with the aim of maximising deliverability. At Quarter 1, these have been assumed to deliver and so no impact has been built into the forecasts.

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2.3 The projected net adverse variance is of concern and as a result, management action is required across all service areas to review and challenge planned expenditure and to maximise income to support the financial resilience of the Council. This management action replicates that which was introduced during previous financial years:

- the review and challenge of planned expenditure across all services and the maximisation of income;
- processes to monitor the recruitment of staff to vacant posts and significant items of expenditure; and
- ensuring non-essential expenditure is minimised.

2.4 There remains in 2023/24 a high degree of estimation with regard to emerging cost and demand pressures, particularly within Children's and Adult Social Care, together with the impact of cost of living pressures on pay awards and also increases in interest rates. The forecasting of the likely impact of all these factors on the Council's budget is based on both the actual expenditure and the income position recorded to date but also relies on a series of assumptions. These assumptions will be constantly updated in the light of national and indeed international influences. Future reports will advise of the progress of mitigating factors and management actions to control and reduce the forecast deficit.

2.5 As this financial monitoring report reflects the financial position at Quarter 1, it can be regarded as an early indication of the year end position if continued corrective action is not pursued. Every effort will be made to reduce the forecast variance by the year end to mitigate any potential impact on the 2024/25 budget. Members will be aware that as outlined at the Budget Council meeting on 1 March 2023, the forecast budget reduction requirement for 2024/25 is £10.224m. This assumes all approved budget reductions are delivered and is before any revisions to reflect further increases in demand pressures or higher than anticipated pay awards. If expenditure cannot be controlled in year and there is a consequent increased budget reduction requirement for 2024/25, it is likely that further reserves will have to be used to balance the budget and this will have an impact on the financial resilience of the Council.

2.6 The original capital programme for 2023/24 totalled £110.305m. The revised capital programme as at Quarter 1 taking account of approved carry forwards, approved new funding, new schemes and variations and proposed variations/ re-phasing gives projected revised expenditure of £103.748m. Actual expenditure at Quarter 1 was £12.405m (11.96% of the forecast outturn). Further details of expenditure and schemes within the capital programme can be found in Annex 2.

2.7 The Annual Review of the capital programme is now taking place as usual during the summer months. This is likely to lead to further reprofiling of planned expenditure and the realignment capital resources between schemes. Its findings and recommendations will be reported later in the financial year.

### **3 Options/Alternatives**

- 3.1 The options that Cabinet might consider in relation to the contents of this report are;
- a) to consider the forecast revenue and capital positions presented in the report including proposed changes

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b) to propose alternative forecasts

#### **4 Preferred Option**

4.1 The preferred option is that the Committee considers the forecasts and changes within this report; option (a) at 3.1.

#### **5 Consultation**

5.1 Consultation with the services within the Council and the Director of Finance.

#### **6 Financial Implications**

6.1 The full financial implications are detailed in the report.

#### **7 Legal Services Comments**

7.1 There are no legal issues at this time.

#### **8 Co-operative Agenda**

8.1 Improving the quality and timeliness of the financial information available to citizens of Oldham supports the co-operative ethos of the Council.

8.2 The revenue budget and capital strategy/ programme have been prepared so that they embrace the Council's co-operative agenda with resources being directed towards projects that enhance the aims, objectives and co-operative ethos of the Council. Ongoing budget monitoring is key to ensuring this objective is met.

#### **9 Human Resources Comments**

9.1 There are no Human Resource implications.

#### **10 Risk Assessments**

10.1 The risk is that the proposed management actions are not achieved in full. Should this be the case then alternatives will be sought and implemented.

#### **11 IT Implications**

11.1 There are no IT implications.

#### **12 Property Implications**

12.1 There are no Property implications.

#### **13 Procurement Implications**

13.1 There are no Procurement implications.

#### **14 Environmental and Health & Safety Implications**

14.1 There are no Environmental and Health and Safety implications.

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## 15 Equality, Community Cohesion and Crime Implications

15.1 There are no Equality, Community Cohesion and Crime implications.

## 16 Implications for Children and Young People

16.1 There are no direct implications for Children and Young People

## 17 Equality Impact Assessment Completed

17.1 An equality impact assessment has been included at Annex 3.

## 18 Key Decision

18.1 Yes

## 19 Key Decision Reference

19.1 FLC-04-23

## 20 Background Papers

20.1 The following is a list of background papers on which this report is based in accordance with the requirements of Section 100(1) of the Local Government Act 1972. It does not include documents which would disclose exempt or confidential information as defined by the Act:

File Ref: Revenue Background Papers are contained in Annex 1 including Appendices 1, 2 and 3

Officer Name: Andy Cooper  
Contact: andy.cooper@oldham.gov.uk

File Ref: Capital Background Papers are contained in Annex 2 including Appendices A to I

Officer Name: Lee Walsh  
Contact No: [lee.walsh@oldham.gov.uk](mailto:lee.walsh@oldham.gov.uk)

## 21 Appendices

**Annex 1 Revenue Budget Monitoring Report 2023/24 Quarter 1 - June 2023**

Appendix 1 Financing of the 2023/24 Revenue Budget at Quarter 1

Appendix 2 Analysis of Grants

Appendix 3 Summary of 2023/24 Budget Reductions and Deliverability

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<b>Annex 2</b>	<b>Capital Investment Programme Report 2023/24 Quarter 1 - June 2023</b>
Appendix A	SUMMARY – Quarter 1 - Community Health & Adult Social Care
Appendix B	SUMMARY – Quarter 1 - Children’s Services
Appendix C	SUMMARY – Quarter 1 - Communities
Appendix D	SUMMARY – Quarter 1 - Place and Economic Growth
Appendix E	SUMMARY – Quarter 1 - Housing Revenue Account (HRA)
Appendix F	SUMMARY – Quarter 1 – Corporate/ Information Technology
Appendix G	SUMMARY – Quarter 1 - Capital, Treasury & Technical Accounting
Appendix H	SUMMARY – Quarter 1 - Funds for Emerging Priorities
Appendix I	SUMMARY – Quarter 1 - Proposed Variations
<b>Annex 3</b>	<b>Equality Impact Assessment- Financial Monitoring 23-24 (Q01)</b>

# REVENUE BUDGET MONITORING REPORT 2023/24

## Quarter 1 - June 2023

### 1 Background

1.1 The Authority's 2023/24 revenue budget was approved by Council on 1 March 2023 at a sum of £287.051m incorporating:

- The use of £4.130m of surplus Collection Fund resources to support the 2023/24 revenue budget;
- Budget Reductions approved in 2021/22 and 2022/23 resulting in a budgetary impact of £3.655m for 2023/24;
- £16.313m of Budget Reductions approved within the 2023/24 budget;
- £12.786m use of corporate and specific reserves with an offsetting transfer to reserves of £1.209m reflecting the requirement, under the Business Rates Retention Pilot scheme, to pay the Greater Manchester Combined Authority a share of Retained Business Rates income; and
- £2.600m of capital receipts in line with the flexibilities agreed by Secretary of State for Levelling Up, Housing and Communities.

1.2 Under established budget procedures all services are required to monitor and review their approved budgets during the financial year. As part of this process, a forecast of the year-end position has been prepared by all services. The forecast is based on a comparison of profiled budgets to the actual position as at the end of Quarter 1 together with known commitments, issues and planned management actions.

1.3 Unlike 2022/23 when £12.000m of corporate resources were held to offset costs arising from the legacy of the COVID-19 pandemic, the budget for 2023/24 has been prepared so that anticipated COVID legacy costs are consolidated within the mainstream budgets of Children's Social Care and Community Health and Adult Social Care.

### 2 Current Position

2.1 The current net revenue budget of £292.316m represents an increase of £5.265m against the originally approved budget of £287.051m. This is due an increase in the utilisation of capital grants of £1.838m reflecting the reporting arrangements when preparing the Statement of Accounts. In addition, a range of un-ringfenced Government grants totalling £3.427m have been received since the Budget was approved. Table 1 shows the movement in funding. A full funding analysis can be found at Appendix 1.

**Table 1 – Movement in Funding**

Movement in Funding	£000
Capital Grants	(1,838)
Family Hubs and Start for Life Programme Grant	(1,444)
Rough Sleeping Drug & Alcohol Treatment Grant	(708)
Business Rates Top-up Grant – an allocation arising from the notification of Public Health Grant funding	(577)
Substance Misuse Treatment and Recovery Funding Grant	(497)
Individual Placement and Support Grant	(156)
Extended Rights to Free Travel Grant	(45)
<b>Net Movement in Funding</b>	<b>(5,265)</b>

2.2 The current position for 2023/24 at Quarter 1 is a projected adverse variance of £12.104m, a forecast of the year-end position has been prepared by all services. The table below shows the year-end forecast position against budget for each Portfolio.

**Table 2 – Summary Forecast Revenue Outturn**

	Budget	Forecast	In Year Use of Transfer To/ (From) Reserves	Variance Quarter 1
	£000	£000	£000	£000
Community Health and Adult Social Care	77,455	81,032	(3,059)	518
Children's Services	69,382	80,656	(388)	10,886
Public Health	25,425	26,553	(1,378)	(250)
Communities	6,707	7,722	(1,143)	(128)
Place and Economic Growth	59,823	64,292	(916)	3,553
Corporate Services	28,826	28,513	(274)	(586)
Capital, Treasury and Technical Accounting	24,698	23,037	(227)	(1,888)
<b>NET EXPENDITURE</b>	<b>292,316</b>	<b>311,805</b>	<b>(7,385)</b>	<b>12,104</b>
<b>FINANCED BY:</b>				
Collection Fund Surplus	(4,130)	(4,130)	-	-
General Use of Reserves	(12,786)	(12,786)	-	-
Transfer to Earmarked Reserves - Business Rates Retention Pilot Gain	1,209	1,209	-	-
Other Financing	(276,609)	(276,609)	-	-
<b>TOTAL FINANCING</b>	<b>(292,316)</b>	<b>(292,316)</b>	<b>-</b>	<b>-</b>
<b>NET FORECAST VARIANCE</b>	<b>-</b>	<b>19,489</b>	<b>(7,385)</b>	<b>12,104</b>

2.3 The forecast outturn to the end of the year, after a predicted and proposed (net) in-year transfer from reserves totalling £7.385m is an adverse variance of £12.104m, section 8 provides more detail about the approved and planned use of reserves at Quarter 1.



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2.4 There are significant variances contained within the projected net overspend. There are currently three areas which are forecasting pressures at Quarter 1;

- Children's Services is forecasting a pressure of £10.886m, the most significant contributing factor to the adverse variance;
- Place and Economic Growth is forecasting a pressure of £3.553m; and
- Community Health and Adult Social Care is forecasting a pressure of £0.518m.

Favourable variances totalling £2.853m which are offsetting these pressures are reported in Public Health at £0.250m, Communities at £0.128m, Corporate Services at £0.587m and Capital, Treasury and Technical Accounting at £1.888m.

More information on these variances is provided in summary in the following paragraphs and in detail in Section 3.

2.5 Community Health and Adult Social Care (CHASC) is reporting a net adverse variance of £0.518m, after a £3.059m use of reserves. The adverse variance is due to an additional temporary team of Social Workers deployed to undertake emergency Care Act assessments together with operational pressures within the Learning Disability and Mental Health services.

2.6 Children's Services is forecasting a net adverse variance of £10.886m, after a £0.388m use of reserves. The main pressure is within Children's Social Care (CSC) which is showing an overspend of £10.820m. The adverse variance within CSC is in the main due to an increased demand for social care placements with many complex cases plus additional costs relating to the use of agency workers to reflect the increase in demand for services and hence case numbers. Education, Skills and Early Years is reporting an overspend of £0.066m and Preventative Services is showing a balanced position.

2.7 Public Health is forecasting an underspend of £0.250m after a net £1.378m use of reserves primarily related to the use of the Contain Outbreak Management Fund grant which was brought forward from 2022/23.

2.8 Communities is showing an underspend of £0.128m after utilising £1.143m of reserves.

2.9 The Place and Economic Growth Portfolio is forecasting an adverse variance of £3.553m net of a £0.916m use of reserves, in the main due to pressures within the Waste Management, Estates and Property Management and Strategic Housing services.

2.10 The Corporate Services Portfolio is forecast to underspend by £0.586m after the utilisation of £0.274m use of reserves. There are minor pressures totalling £0.247m HR and Organisational Development (£0.156m), Commissioning and Procurement (£0.089m) and Legal Services (£0.002m). The pressures are offset by favourable variances totalling £0.833m relating to; Chief Executive, Management and Executive Office (£0.063m), Finance (£0.442m), Communications and Research (£0.014m) and Customer, Digital and Transformation (£0.314m).

2.11 Capital, Treasury and Technical Accounting is showing a favourable variance of £1.888m.



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- 2.12 A more detailed analysis of the financial performance, the major variances and contributing factors can be found by Portfolio in Section 3.
- 2.13 The approved budget for 2023/24 included centrally held resources to fund the final pay award (£6.113m), contractual and general inflationary pressures (£2.520m) and the cost-of-living crisis (£1.790m). Reserves have also been set aside to fund any additional pressures over and above these sums. The approved budgetary funding is being utilised as follows:
- Funding for **pay awards** of £6.113m is to be retained centrally and reallocated to service budgets to reflect the costs of the pay award once agreed. There is a dedicated reserve that, together with any remaining balance of the inflationary pressures budget, will be used to fund the full impact of the pay award.
  - Funding for **inflationary pressures** including energy and contractual inflation has been allocated directly to services where appropriate leaving a balance of £2.520m to address additional cost pressures through the year. Any balance, as advised above, will be used to fund the pay awards in service budgets. The £2.520m budget is forecast as being fully spent.
  - The funding for **cost of living crisis** will be allocated to service budgets as required. The £1.790m budget is forecast to be fully spent.
- 2.14 It is important to note that four of the 2023/24 approved Budget Reductions, one within Communities (see section 3.4.5), one within Place and Economic Growth (see section 3.5.5) and two within Corporate Services (see section 3.6.10) with a combined value of £0.108m are currently forecast not to be achieved and are therefore rated 'Red - Will not/ is not expected be delivered in full' and have been factored into the forecast position.
- 2.15 There is currently one Budget Reduction with a value of £0.060m within Children's Services rated 'Amber/Red - Being closely monitored in year with elements expected not to be delivered'. It is expected that £0.040m will not be achieved and this has been factored into the forecast position.
- 2.16 In addition, there are a further seven Budget Reductions, two within Place and Economic Growth (see sections 3.5.5), three within Corporate Services (see section 3.6.10), one within Children's Services (see section 3.2.14) and one within Public Health (see section 3.3.5) with a combined value of £2.252m rated 'Amber - Being closely monitored but expected to deliver'. These will continue to be monitored for the remainder of the year with the aim of maximising deliverability. At Quarter 1, these have been assumed to deliver and so no impact has been built into the financial forecast. A schedule and assessment of all the 2023/24 Budget Reductions is attached as Appendix 3.
- 2.17 As this financial monitoring report reflects the financial position at Quarter 1, it can be regarded as an early warning of the position if no corrective action is taken.
- 2.18 In view of the projected adverse variance, it is important to ensure that measures are taken to address the overspending, namely:
- management actions across all service areas to review and challenge planned expenditure and to maximise income;
-

- processes to monitor the recruitment of staff to vacant posts and significant items of expenditure; and
- ensuring non-essential expenditure is minimised.

2.19 The effectiveness of management action and corporate procedures will continue to be closely monitored by Management Teams right up to the end of the financial year.

### 3 Portfolio Summaries

#### 3.1 Community Health and Adult Social Care

3.1.1 The Portfolio provides social care support to adults and carers across Oldham with a key aim of integrating and aligning the work with health partners to achieve greater efficiency in service delivery and better outcomes for the resident or patient. This covers both the commissioning and the provision of services. The following table shows the forecast position for the Portfolio at Quarter 1.

**Table 3 – Community Health and Adult Social Care- Forecast Outturn**

	Revised Budget £000	Forecast £000	Use of Reserves £000	Variance £000
Clusters	3,016	3,013	(66)	(69)
Commissioning	17,656	18,385	(1,500)	129
Community Business Services	1,392	1,584	(251)	(59)
Community Health & Social Care	27,388	27,383	-	(5)
Director Adult Social Care	2,148	2,385	(242)	(5)
Learning Disability	15,650	16,887	(1,000)	237
Mental Health	9,192	9,481	-	289
Safeguarding	1,013	1,014	-	1
<b>Total Forecast Net Expenditure</b>	<b>77,455</b>	<b>81,032</b>	<b>(3,059)</b>	<b>518</b>

#### Summary

3.1.2 The Portfolio has a projected overspend of £0.518m and incorporates the use of reserves of £3.059m.

3.1.3 The minimum NHS contribution to the Better Care Fund (BCF) has increased by 5.66% with a total allocation of £13.638m for 2023/24. The BCF Plan has been agreed and submitted and contained within the Plan is the Local Authority Discharge Funding allocation of £1.568m. The Council is awaiting notification about the Integrated Care Board element of Discharge Funding and therefore no assumption to any potential additional share has been built into the budget at this stage.

#### Clusters

3.1.4 The Cluster service area is reporting an under spend of £0.069m. Employee budgets report an underspend of £0.190m due to vacant Social Worker posts. The position also

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includes £0.066m of earmarked reserves projected to be drawn down for temporary staff employed on the Review Team to facilitate delivery of the budget reduction proposal of £1.255m.

#### Commissioning

- 3.1.5 The Commissioning service is reporting an overspend of £0.129m. An expected cost of £0.215m is for a temporary team of Social Workers deployed to undertake emergency Care Act assessments, this is offset by a favourable variance of £0.086m which relates entirely to vacant posts following a service restructure. Current vacant posts are assumed to be recruited to in month 4. Although not within the first quarter of the year, Members will be aware that Cabinet, at its meeting on 17 July 2023, approved action to stabilise the adult social care market within Oldham leading to the acquisition (out of administration) of a Care Home by a wholly owned Council company. It is expected that costs associated with the day to day operation of the home will be financed by the use of reserves in the first year but that any costs incurred will be less than the cost of finding alternative accommodation for residents of the Care Home.

#### Community Business Services

- 3.1.6 Community Business Services is forecasting an underspend of £0.059m, of which £0.073m relates to savings from vacant posts offset by an underachievement of income on Client Finance administration fees of £0.014m. The Reform and Improvement programme forms part of this Service Area and is fully funded from reserves with an expected drawdown in 2023/24 of £0.251m. An update report is currently being produced outlining the programme priorities and statutory reforms and will be presented to Management Board for consideration

#### Community Health and Social Care

- 3.1.7 The service is reporting a small underspend of £0.005m. Employee budgets are projecting to underspend by £0.026m with community care budgets, mainly within the Physical Support cohort, reporting a pressure of £0.014m due to an overspend on Direct Payments and an underachievement in Residential and Short Stay income contributions of £0.007m.

#### Director of Adult Social Care (DASS)

- 3.1.8 The DASS underspend of £0.005m is due to a vacant post within the Principal Social Worker Team and additional grant income of £0.019m for Adult Social Care data collections. The Oldham Place Based Lead has commissioned work to undertake a strategic analysis of the Borough's capacity and demand totalling £0.242m. This will be financed by one-off earmarked reserves.

#### Learning Disability

- 3.1.9 The Learning Disability service is forecasting an adverse variance of £0.237m after the use of £1.000m of one-off earmarked reserves to support highly complex packages of

care. Overspends are reported within Residential Care provision (£0.067m), Short Stay (£0.050m), Respite Care (£0.025m) and Shared Lives (£0.050m) combined with a projected under recovery of income of £0.045m from Direct Payment recipients.

#### Mental Health

3.1.10 The Mental Health service is projecting an overspend of £0.289m. Employee budgets are expected to underspend by £0.136m due to vacant posts offsetting an underachievement of Residential and Nursing income of £0.108m. Community care budgets, in particular Direct Payments, are forecast to overspend by £0.317m, predominantly due to three back-dated payments previously held in dispute and expected to be settled to ASC in month 4.

#### Safeguarding

3.1.11 Safeguarding is reporting a minor adverse variance of £0.001m with favourable variances within the Safeguarding Team of £0.029m and Safeguarding Board £0.009m counteracting a £0.039m overspend in the MASH Team.

#### Achievement of Budget Reductions

3.1.12 The Portfolio has approved Budget Reductions of £3.574m in 2023/24 all of which are rated 'Green - Has / is expected to be fully delivered'. To Quarter 1, £1.284m has been delivered with the remaining on track by the end of the financial year.

3.1.13 New Government grant funding, the Market Sustainability and Improvement Fund was notified to the Council on 27 July 2023. Of a national allocation of £365m in 2023/24, the Council has been awarded £1.707m. This is to support tangible improvement in Adult Social Care capacity. The impact of this grant has not been included in this monitoring report as the Council is still preparing the detailed delivery plan which needs to be agreed by Government.

### 3.2 Children's Services

3.2.1 The following table shows the forecast position after the approved and planned use of reserves for the Portfolio at Quarter 1.

**Table 4 – Children's Services**

	Revised Budget £000	Forecast £000	Use of Reserves £000	Variance £000
Children's Social Care	54,397	65,367	(150)	10,820
Education, Skills & Early Years	11,436	11,592	(90)	66
Preventative Services	3,588	3,736	(148)	-
Schools	(39)	(39)	-	-
<b>Total Forecast Net Expenditure</b>	<b>69,382</b>	<b>80,656</b>	<b>(388)</b>	<b>10,886</b>

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## Summary

- 3.2.2 The Portfolio has a projected overspend of £10.886m at Quarter 1 and incorporates the use of reserves totalling £0.388m. The principal underlying reasons are detailed in the following paragraphs.

### Children's Social Care

- 3.2.3 This Directorate is projecting a £10.820m overspend at Quarter 1 and incorporates the use of reserves totalling £0.150m. The principal underlying reasons are detailed below.

#### Children in Care

- 3.2.4 The area is forecasting a pressure of £8.047m. There is a net pressure, after incorporating the application of Continuing Health Care funding of £6.302m relating to placements for Children Looked After within high-cost external residential packages with a further pressure against external semi-independent placements at £1.804m. These variances are partly being offset by a net £0.059m in relation to a number of minor variances across the remainder of the service.

### Children's Fieldwork and Family Support

- 3.2.5 The area is forecasting a pressure of £3.123m. This is due to a net overspend of £2.550m on staffing costs, provisions of short breaks for children with disabilities at £0.308m, No Recourse to Public Funds (£0.067m), Assistance to Families of £0.063m and other small adverse variances totalling £0.133m.

### Children's Safeguarding

- 3.2.6 The area is reporting a favourable variance of £0.350m due to delays in recruiting to established posts.

- 3.2.7 Against a backdrop of increased demand nationally and particularly in the North West, factors such as poverty, deprivation, the legacy of the pandemic, and cost of living crisis continue to have a significant impact on the ability of children and young people in Oldham to enjoy a happy, healthy, and safe childhood. The main pressures that have carried forward into 2023/24 and which are driving the current financial position are the number and cost of children placed out of borough and the continued reliance on agency staff to address additional demand and also to help maintain a fully established workforce. The hourly rates paid to staff engaged in this manner have significantly increased in the last two years. Disappointingly, the projected overspend is despite the significant additional funding of £14.700m that has been invested in the service for the current financial year; £11.800m intended to stabilise the financial position with further one-off, net investment of £2.900m funded from reserves to pump prime a number of invest to save initiatives aimed at improving services but also delivering budget reductions over the period to 2028/29.

- 3.2.8 Whilst it is acknowledged that demand cannot be wholly controlled, Senior Management is dedicated to addressing the issues affecting the service. The Children's Transformation

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Programme (CTP) has been set up in order to drive forward the operational changes required and to facilitate delivery of the invest to save initiatives. Governance of the programme is through the CTP board, chaired by the Managing Director of Children and Young People. The programme consists of six strands of activity, as outlined below:

- Placement Sufficiency;
- Workforce;
- Early Intervention and Prevention;
- Children and Young People's Mental Health;
- Speech, Language and Communication; and
- SEND Improvement.

3.2.9 The overall impact of the transformation programme will be monitored throughout this financial year and into the future, however, it is important to note that should the current level of overspending remain unaddressed and continue throughout the rest of this financial year, it will have a budgetary implication for 2024/25 and beyond as well as reduce the financial resilience of the Council.

#### Education, Skills and Early Years

3.2.10 The area is reporting a £0.066m pressure at Quarter 1 and incorporates the use of reserves totalling £0.090m.

3.2.11 The main factor producing the adverse variance is within Learning Services where the Music Service is showing a pressure of £0.079m, Study Support is forecast to overspend by £0.016m and Central Education is forecasting a pressure of £0.040m. These pressures are partially being offset by underspends within the service of £0.069m.

3.2.12 There is a potential pressure in relation to Home to School Transport. However, the scale of this is unknown at this point of the financial year but will be re-evaluated once transport routes for the new academic year are finalised.

#### Preventative Services

3.2.13 The area is incorporating the use of reserves totalling £0.148m which brings the area to a balanced budget at Quarter 1.

#### Achievement of Budget Reductions

3.2.14 Budget Reductions for the Portfolio in 2023/24 total £1.131m of which £0.701m are rated 'Green – Has / is expected to be fully delivered'. One Budget Reduction with a value of £0.372m is currently rated 'Amber – Being closely monitored but expected to deliver'. The Budget Reduction 'School Support Services - Academisation' is rated as 'Amber/Red – off track and will only deliver part of the saving.' The full value of the option is £0.060m with only £0.020m expected to deliver with the remaining £0.040m contributing to the adverse variance within Education, Skills and Early Years.



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### 3.3 Public Health

3.3.1 The following table shows the forecast position after the approved and planned use of reserves for the Portfolio at Quarter 1.

**Table 5 – Public Health**

	Revised Budget £000	Forecast £000	Use of Reserves £000	Variance £000
Public Health (Client and Delivery)	5,783	5,749	(40)	(74)
Heritage, Libraries and Arts	19,642	20,804	(1,338)	(176)
<b>Total Forecast Net Expenditure</b>	<b>25,425</b>	<b>26,553</b>	<b>(1,378)</b>	<b>(250)</b>

#### Summary

3.3.2 The Portfolio has a projected underspend of £0.250m and incorporates the use of reserves of £1.378m. The principal underlying reasons are detailed below.

3.3.3 Public Health (Client and Delivery) is showing an underspend of £0.074m which is wholly due to slippage on staffing costs. Use of reserves is in the main the continued use of the Contain Outbreak Management Fund first received in 2021/22. It has been possible to carry forward this grant into 2023/24 and in this regard, the Council has submitted a plan to Government outlining how it expects to utilise the resource in this financial year to comply with the eligibility requirements. The additional expenditure would not be incurred without the availability of this grant funding,

3.3.4 The Heritage, Libraries and Arts Service is reporting a favourable variance of £0.176m at Quarter 1, which relates to an overachievement of income within the Library Service and Oldham Theatre Workshop.

#### Achievement of Budget Reductions

3.3.5 Budget Reductions for the Portfolio in 2023/24 total £0.520m of which three are rated 'Green – Has / is expected to be fully delivered' and have been fully achieved at Quarter 1. One budget reduction - Young People's Substance Misuse & Sexual Health Service with a value of £0.075m is rated 'Amber – being closely monitored but expected to deliver'. The service is confident that if this can't be delivered as originally intended then it will be met from alternative savings within the service, therefore there is no anticipated impact on the financial forecast.

### 3.4 Communities

3.4.1 The following table shows the forecast position after the approved and planned use of reserves for the Portfolio at Quarter 1.

**Table 6 - Communities**

	Revised Budget £000	Forecast £000	Use of Reserves £000	Variance £000
Community Services	2,688	3,213	(775)	(250)
Leisure and Youth Services Client	4,019	4,509	(368)	122
<b>Total Forecast Net Expenditure</b>	<b>6,707</b>	<b>7,722</b>	<b>(1,143)</b>	<b>(128)</b>

### Summary

3.4.2 The Portfolio has a projected underspend of £0.128m and incorporates a net use of reserves totalling £1.143m.

#### Community Services

3.4.3 The area is reporting an underspend of £0.250m which relates to vacancies within the District Partnerships Team.

#### Leisure and Youth Services Client

3.4.4 The area is reporting an adverse variance of £0.122m at Quarter 1. In the main, this is due to an underachievement of income within Outdoor Education and the School Swimming Service.

#### Achievement of Budget Reductions

3.4.5 Budget Reductions for the Portfolio in 2023/24 total £0.084m of which two budget reductions are rated 'Green – on track and will be delivered'. One further budget reduction – School Swimming Service with a value of £0.010m is rated 'Red – Off track and will not deliver' as negotiations with Oldham Community Leisure Ltd have not concluded favourably.

### 3.5 Place and Economic Growth

3.5.1 The following table shows the forecast position after the approved and planned use of reserves for the Portfolio at Quarter 1.

**Table 7 – Place and Economic Growth**

	Revised Budget £000	Forecast £000	Use of Reserves £000	Variance £000
Environmental Services	56,140	56,537	54	451
Economy	3,683	7,755	(970)	3,102
<b>Total Forecast Net Expenditure</b>	<b>59,823</b>	<b>64,292</b>	<b>(916)</b>	<b>3,553</b>



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## Summary

3.5.2 The Portfolio has a projected overspend of £3.553m and incorporates a net use of reserves totalling £0.916m. The principal underlying reasons are detailed below.

### Environmental Services

3.5.3 The area is forecasting an overspend of £0.451m and after incorporating a transfer to reserves of £0.054m. The main reasons for the adverse variance are detailed below:

- There is an estimated pressure against the Waste Management Service of £0.365m. This is due to a general increase in service demand and pressures against the Bulky Waste contract totalling £0.739m which are being partially offset by an increase in income for the Trade Waste service of £0.374m;
- The Highways Service is expected to overspend by £0.356m which is due the utilisation of agency staff and an increase in the cost of materials.
- The Public Protection service is projecting an underspend of £0.168m principally as a result of vacant posts within the establishment. However, the service is planning to recruit to the vacant posts during the course of the year;
- The Street Lighting service is expecting to underspend by £0.078m due to expected deductions from the PFI contract which is separate from the Variable Lighting Strategy Budget Reduction; and
- The Environmental Management Service is expected to underspend by £0.024m, being a combination of pressures on supplies and services and vehicle costs totalling £0.328m, offset by vacant posts (£0.117m) and additional income in the Cemeteries and Crematoria service (£0.187m).

### Economy

3.5.4 The area is forecasting an overspend of £3.102m after a £0.970m transfer from reserves. The main reasons are detailed below:

- The Estates and Property Management Services are currently expected to overspend by £1.270m due to pressures against repairs and maintenance (£0.892m), Business Rates (£0.103m) and security budgets (£0.275m);
- Strategic Housing is projecting a £1.600m overspend due to demand pressures for temporary accommodation totalling £1.960m which is being offset by the use of reserves of £0.170m. There are further offsetting underspends on professional fees and staffing budgets of £0.190m
- The Planning Service is showing an underachievement of Planning Fee income of £0.215m. The total Planning service income budget for 2023/24 is £0.994m;

- Facilities Management is projecting a minor overspend of £0.015m;
- The Town Centre and Markets Service area is expected be in line with budget following the approval of additional resources of £0.542m within the budget setting process to support the revenue costs identified for the relocation of Tommyfield Market into the Town Square Shopping Centre; and
- The Creating a Better Place service is expected to be in line with budget after application of £0.800m of reserves. Grant funding opportunities to reduce the reliance on reserves are being investigated by the service.

#### Achievement of Budget Reductions

3.5.5 Budget Reductions for the Portfolio in 2023/24 total £2.493m of which £0.868m are rated 'Green – Has / is expected to be fully delivered'. There are two Budget Reductions with a combined value of £1.600m rated 'Amber – Being closely monitored but expected to deliver'. One Budget Reduction of £0.025m, Reshape Bonfire Event has been rated red 'Will not/ is not expected be delivered in full.

### 3.6 Corporate Services

3.6.1 The following table shows the forecast position after the approved and planned use of reserves for the Portfolio at Quarter 1.

**Table 8 – Corporate Services**

	Revised Budget £000	Forecast £000	Use of Reserves £000	Variance £000
Chief Executive, Management and Executive Office	4,787	4,734	(10)	(63)
Commissioning and Procurement	557	646	-	89
Finance	7,172	6,730	-	(442)
Legal Services	3,768	3,770	-	2
Communications and Research	997	1,029	(46)	(14)
Customer, Digital and Transformation	7,344	7,160	(130)	(314)
Strategy and Performance	961	999	(38)	-
HR & Organisational Development	3,239	3,445	(50)	156
<b>Total Forecast Net Expenditure</b>	<b>28,826</b>	<b>28,513</b>	<b>(274)</b>	<b>(586)</b>

#### Summary

3.6.2 The Portfolio has a projected underspend of £0.587m and incorporates the use of reserves totalling £0.274m. The principal underlying reasons are detailed below.

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## Chief Executive, Management and Executive Office

- 3.6.3 The area is reporting an underspend of £0.063m which in the main relates to a pressure on professional fees being offset by vacant posts and reduced pension costs.

## Commissioning and Procurement

- 3.6.4 The Division is reporting an overspend of £0.089m at Quarter 1. The service is continuing to experience difficulties in recruiting to permanent posts, this is resulting in a pressure of £0.520m due to the necessity of having to retain interims. This is being offset by vacant posts of £0.446m. The service is also reporting a pressure of £0.053m against the Early Payment scheme, with a corresponding favourable variance of £0.038m against non-pay budgets.

## Finance

- 3.6.5 The Division is reporting an underspend of £0.442m at Quarter 1. The Finance Division has a number of vacant posts, underspends on non-pay budgets and increased income for staff time spent on European grant funded projects.

## Legal Services

- 3.6.6 The service is reporting a minor overspend of £0.002m at month 3. There are staffing pressures in Legal Services due to staff absences which have led to the use of agency staff and there continues to be a pressure in relation to schools buy back income. This has been offset by increased income in Registrars and additional grant income received for the Election.

## Communications and Research

- 3.6.7 The service is recording an underspend of £0.014m, primarily as a result of vacant posts.

## Customer, Digital and Transformation

- 3.6.8 The Division is reporting an underspend of £0.314m at Quarter 1. There are vacant posts across the Division which is offset in part by agency costs in ICT and Customer Services (£0.505m). There are pressures relating to income receivable from the NHS and payments of third-party ICT costs which includes the non-achievement of budget reductions COR-BR1-621 & 622. This has been offset in part from increased fees charged to capital projects.

## Human Resources (HR) and Organisational Development

- 3.6.9 The Division is reporting an overspend of £0.156m. There is an underspend of £0.368m against vacant posts which is offsetting an income pressure of £0.349m in relation to schools buy back and funding from the NHS which ceased in 2022/23. In addition, there is a pressure of £0.175m against non-pay which includes staff experience costs.

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## Achievement of Budget Reductions

3.6.10 Budget Reductions for the Portfolio in 2023/24 total £0.870m of which nine totalling £0.592m are rated 'Green – on track and will be delivered' and have been fully achieved at Quarter 1. Three budget reductions are currently rated 'Amber – Being closely monitored but expected to deliver', the total value of these options is £0.205m. The service is profiling deliverability of these options in the final two Quarters of the financial year. A further two budget reductions are rated 'Red – will not / is not expected to deliver' which are detailed below:

- MS Licences migration to Cheaper Licences for some staff; £0.050m not currently being achieved; and
- MS Licences Improved Starter / Leaver Process of £0.023m, not currently being achieved.

3.6.11 Therefore, a total of £0.073m of budget reductions across the Division are currently not expected to be achieved in the financial year.

### 3.7 Capital, Treasury and Technical Accounting

3.7.1 The following table shows the forecast position for the Portfolio at Quarter 1.

**Table 9 – Capital, Treasury and Technical Accounting**

	Revised Budget £000	Forecast £000	Use of Reserves £000	Variance £000
Capital, Treasury and Technical Accounting	23,348	21,687	(227)	(1,888)
Corporate and Democratic Core	1,003	1,003	-	-
Parish Councils – Precepts and Grant Payment	347	347	-	-
<b>Total Forecast Net Expenditure</b>	<b>24,698</b>	<b>23,037</b>	<b>(227)</b>	<b>(1,888)</b>

#### Summary

##### Capital, Treasury and Technical Accounting

3.7.2 The Portfolio holds the budgets associated with the Council's Treasury Management activities including interest payable on borrowing and interest receivable on investments and is reporting an underspend of £1.888m at Quarter 1.

3.7.3 There are favourable variances of £1.443m due to higher levels of interest receipts on external investments with further favourable variances of £0.107m against cash collections, bank charges and professional fees.

3.7.4 The Housing Benefit service is projecting a favourable variance of £0.594m at Quarter 1. This is based upon the Department for Work and Pensions Statement of Local Authority

claimed Entitlement to Housing Benefit Subsidy Form for the financial year ending March 2024. There will be an opportunity to revise this after the production of the mid-year estimates which are due at the end of August 2023.

3.7.5 The Procurement Framework income target is showing an in-year pressure of £0.256m. However, this will continue to be monitored throughout the year.

3.7.6 Additional income of £2.837m has been received from the Greater Manchester Combined Authority (GMCA), this being the Council's share of a £27.000m GM wide waste reserve refund. This has been transferred to Earmarked Reserves to support the future financial resilience of the Council.

#### Achievement of Budget Reductions

3.7.7 Budget Reductions for the Portfolio in 2023/24 total £11.295m, all of which are rated 'Green – Has / is expected to be fully delivered.

## 4 Other Grants and Contributions Received by the Council

4.1 The Council has received a number of specific grants from the Government or other organisations which have been ringfenced to Portfolios to be utilised on certain defined activities. At Quarter 1, excluding the DSG as outlined in Section 5.1, Portfolios are forecasting a total of £105.712m of ringfenced grants to be used for specific purposes which have been either new notifications for 2023/24 or grants received in prior years where terms and conditions allow for usage in the current and potentially future years. The table below shows the total grants forecast by Portfolios up to Quarter 1.

**Table 10 – Grants Ringfenced to Portfolios**

Portfolio	Govt. Grants	Other Grants	Forecast 2023/24
	£000	£000	£000
Community Health and Adult Social Care	(4,537)	(15,097)	(19,634)
Children's Services	(16,042)	(12)	(16,054)
Public Health	(1,803)		(1,803)
Communities	(227)	(620)	(847)
Place and Economic Growth	(4,070)		(4,070)
Corporate Services	(5,625)	(276)	(5,901)
Capital, Treasury and Technical Accounting	(38,603)		(38,603)
<b>Total Ringfenced Grants include within the Net Revenue Budget</b>	<b>(70,908)</b>	<b>(16,005)</b>	<b>(86,913)</b>
Housing Revenue Account	(18,799)		(18,799)
<b>Total</b>	<b>(89,707)</b>	<b>(16,005)</b>	<b>(105,712)</b>

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- 4.2 As highlighted in the table above, grants (excluding COMF and the DSG) received in previous years and carried forward into 2023/24 and new allocations for 2023/24, total £105.712m; of this sum, £86.913m is within the Net Revenue Budget and £18.799m within the Housing Revenue Account. Dependant on the terms and conditions of the individual grant, some of the above income could be carried forward into 2024/25 to be utilised in future financial years.
- 4.3 Of the £86.913m of General Fund allocations, the largest single category carries a value of £38.603m and relates to Housing Benefit Subsidy Grant which is included within the Capital, Treasury and Technical Accounting Portfolio, comprising £33.511m for Rent Allowances and £5.093m for Rent Rebates. In addition, £15.097m relates to the Better Care Fund Grant which is awarded by NHS England and distributed by Integrated Care Boards which is included within the Community Health and Adult Social Care net revenue budget. A further £13.262m relates to PFI Credits received to support unitary charge payments across the Council's four General Fund PFI schemes. A further two PFI schemes, with grant totalling £18.799m operate within in the Housing Revenue Account.
- 4.4 A total of 43 additional Government Grants are included in the forecasts for 2023/24 totalling £89.707m; £70.908m is within the Revenue Budget and £18.799m relates to the Housing Revenue Account PFI Credits. A further 5 grants have been awarded from other sources and classed as 'other grants' totalling £16.005m.
- 4.5 Twenty nine of the grants have an individual value which is greater than £0.150m and total £104.281m. The remaining £1.431m relates to 19 grants with individual values less than £0.150m. A full list of these grants can be found at Appendix 2.

## **5 Schools**

- 5.1 The Council's expenditure on schools is funded primarily by the Dedicated Schools Grant (DSG) which is provided by the Department for Education. DSG is ring-fenced and can only be applied to meet expenditure properly included in the Schools' Budget, as defined in the School and Early Years Finance (England) Regulations 2022. The Schools' Budget includes elements for a range of educational services provided on an Authority wide basis and for the Individual Schools Budget which is divided into a budget share for each maintained school. The total estimated Oldham funding allocation for 2023/24 is £321.458m, £179.362m after excluding the recoupment for academies and post 16 further education (FE) provision and is split across the four funding blocks that comprise the DSG as follows:
- Schools - £240.592m (£113.220m after excluding the recoupment for academies)
  - High Needs - £58.470m (£43.746m after excluding the recoupment for academies and Post 16)
  - Early Years - £19.935m
  - Central Schools Services - £2.461m
- 5.2 For a number of years there was a considerable financial pressure on the DSG, particularly in the High Needs Block which had been in a deficit position since 2016/17. This was historically due to expenditure exceeding the High Needs budget available each



year and is after approved transfers between the Schools and High Needs Blocks of £8.296m between 2016/17 and 2021/22. As shown in the table below, the High Needs Block Deficit, if taken as a stand-alone element without the transfers, was £11.508m at the start of 2023/24. Notwithstanding the emergence of the reducing deficit, there remain operational pressures which the serviced are working to address, these include:

- Increasing high needs population, such as special school places, resourced provision and post 16 Further Education provision;
- Increasing number of Education Health Care Plans (EHCP) requiring high needs top up funding within mainstream schools;
- Cost of providing local Pupil Referral Unit capacity to ensure that the Local Authority fulfils its statutory role;
- High cost of external placements.

5.3 In the first quarter of 2023/24 the High Needs Block is currently forecasting an in year surplus of £2.057m. Excluding the cumulative support from the Schools Block this reduces the forecast cumulative deficit forecast to £9.451m as at 31 March 2024. The deficit is offset by cumulative virements and savings from the Schools (£8.296m) and Early Years Blocks (£3.672m) to leave a net forecast, cumulative High Needs Block surplus outturn of £2.517m (as illustrated in the table below).

**Table 11 – DSG High Needs Block**

<b>DSG High Needs Block</b>	<b>2023/24</b>
<b>Deficit Brought Forward 01/04/2023</b>	<b>11,508</b>
<b>2023/24</b>	
Original High Needs Budget Allocation	(58,470)
Estimated Expenditure	56,413
<b>Projected in Year (Surplus)</b>	<b>(2,057)</b>
<b>Cumulative Net Deficit to be Carried Forward</b>	<b>9,451</b>
Offset by;	
- Virement from Schools Block- 2016/17 to 2021/22	(8,296)
- Savings in Schools and Early Years Block and Central Schools Services Block - 2015/16 to 2023/24	(3,672)
<b>Projected High Needs Block (Surplus) 31/03/2024</b>	<b>(2,517)</b>

### **Overall DSG Position and Recovery Plan**

5.4 The DSG had been in a deficit position since 2016/17 and Oldham was supported by the Education and Skills Funding Agency (ESFA) in its monitoring and management of the DSG. As a consequence, the Council has been required to agree a DSG Financial Recovery Plan to demonstrate how, at least a balanced position could be achieved. The plan was first submitted to the Department for Education (DfE) in 2019. The financial elements of the Recovery Plan have been continuously updated to take account of estimated additional cost pressures, formal notifications of additional funding and the

agreed funding methodology including the transfer of DSG funding between the Schools and the High Needs Funding Blocks that has been undertaken in prior years.

- 5.5 The Schools Forum is regularly updated on the status of the Recovery Plan and it remains an appropriate and effective means of monitoring the DSG position. The last meeting of the Schools Forum on 14 June 2023 received an update in relation to the DSG outturn and Recovery Plan, which had again been updated to take account of the most recent funding announcements, the latest expenditure predictions and their impact on the projections from the current financial year through to 2024/25.
- 5.6 The table below shows the latest Recovery Plan as at June 2023, as agreed with the Schools Forum. First and foremost, it shows that the DSG deficit of £2.773m at the end of 2021/22 had become a surplus of £0.899m at the end of 2022/23. The achievement of a surplus for the first time since 2016/17 represents a major financial milestone for the Council. In year forecast surpluses of £1.618m and £0.248m in the current and following financial years deliver cumulative surpluses of £2.517m and £2.765m in each of 2023/24 and 2024/25 respectively. The sustained and improving position will be further assisted by the work undertaken as part of the DBV programme referred to earlier. The School Forum will be provided with a further update at the meeting scheduled for 27 September 2023.

**Table 12 – Overall DSG Position**

	2022/23 £k	2023/24 £k	2024/25 £k
<b>Opening Balance brought forward – Deficit/ (Surplus)</b>	<b>2,773</b>	<b>(899)</b>	<b>(2,517)</b>
Estimated Additional Pressures	2,904	6,278	7,449
2022/23 High Needs Block Increase	(4,852)	(4,852)	(4,852)
Additional High Needs Funding (announced December 2021)	(1,756)	(1,756)	(1,756)
Additional High Needs Funding (announced December 2022)		(2,178)	(2,178)
Reverse Indicative Transfer (initially planned but not required for 2022/23)	1,124		
Estimated change additional funding including Special Free School	(1,092)		
Estimated adjustment for Special Free School funding		252	252
Additional High Needs Funding 2023/24 - 6.7%		(4,294)	(4,294)
Estimated Additional High Needs Funding 2024/25 - 3%			(1,601)
Reduced High Needs Budgets (central) funded from General Fund		(446)	(446)
Contribution to Central Education Support Services including HI/VI Services		200	200
High Needs Funding (announced December 2022)- still to be allocated		2,178	2,178
Service Improvements Development Fund (SIDF)		2,150	4,800
SIDF one-off funding to support the Special Sector		850	
<b>In Year (Surplus)</b>	<b>(3,672)</b>	<b>(1,618)</b>	<b>(248)</b>
<b>Current Net Forecast (Surplus)</b>	<b>(899)</b>	<b>(2,517)</b>	<b>(2,765)</b>
Previously Reported Net Forecast (Surplus)	(514)	(2,438)	(2,701)



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## Delivering Best Value (DBV) in SEND

5.7 Launched in the autumn of 2022, Oldham was selected as one of the Local Authorities invited to take part in Wave 2 of the Delivering Best Value in SEND programme. With the aim of putting Local Authorities on a more sustainable footing so that they are better placed to respond to the forthcoming SEND Review reforms. The Department for Education (DfE) has provided external consultancy advice to enable participants to plan and agree improvements and a change programme. Core funding of £1.000m will be made available to the Authority on successful submission of a grant application, to the DfE. The Authority has participated in a series of workshops and undertaken a comprehensive stakeholder case review and evaluation to identify and develop solutions for the areas of highest need and most likely return/ benefit for inclusion in the grant /application. The application was submitted on 17 July 2023 with a focus on the following areas:

- Early identification and intervention to reduce EHCPs;
- Development of mainstream provision to create an alternative to special schools;
- Updating the resource allocation system;
- Post 16 pathways to ensure better progression;
- Developing and targeting support for;
  - autism
  - speech, language and communication needs
  - social, emotional and mental health

5.8 By taking part in this initiative and it is expected that it will assist the Council sustain DSG financial position and reduce the financial pressure within the High Needs Block.

## 6 Housing Revenue Account (HRA)

6.1 The current HRA position is presented in Table 13 and compares the initially approved HRA position to the current estimated outturn. The actual closing balance for 2022/23 at £22.584m was £0.305m higher than the final estimate of £22.279m.

6.2 The original HRA forecast for 2023/24 was for a planned in-year decrease in balances of £1.427m arising from:

- The Council choosing not to implement rental increases of up to the maximum allowable of 11.1% for 2023/24. Instead, a much lower increase at just 5% was agreed leading to a call on balances; and
- A budgeted contribution of £1.000m to the capital programme.

6.3 The current forecast is for an in-year deficit against budget of £1.547m, a net adverse movement against HRA balances of £0.120m, attributable to higher than anticipated utility costs. The projected year end HRA balance of £21.037m, represents a net £0.185m favourable movement compared to the original budget.

**Table 13 - Housing Revenue Account Forecast Position**

HRA Income & Expenditure Account	Original Budget £000	Latest 2023/24 Forecast £000	Variance to Budget £000
HRA Balances Brought forward from 2022/23	(22,279)	(22,584)	(305)
(Surplus)/ Deficit on HRA Services for 2023/24	1,427	1,547	120
<b>HRA Surplus Balances Carried Forward</b>	<b>(20,852)</b>	<b>(21,037)</b>	<b>(185)</b>

## 7 Collection Fund

7.1 The tables below show the forecast outturn position for the Collection Fund (the technical account within which Council Tax and Business Rates (National Non-Domestic Rates (NDR)) are managed) and the forecast position in relation to the share of balances between the Council and the Greater Manchester Combined Authority precepting Authorities.

**Table 14 - Collection Fund Forecast Position**

Collection Fund Balance	Council Tax £000	NDR £000	Total £000
Balance Brought Forward	410	(4,127)	(3,717)
Release of estimated surplus carried forward from 2022/23	(48)	(4,131)	(4,179)
<b>Prior Year Balance Brought Forward</b>	<b>458</b>	<b>4</b>	<b>462</b>
(Surplus) /Deficit for the Year	74	(2,174)	(2,100)
<b>Net (Surplus)/Deficit Carried Forward</b>	<b>532</b>	<b>(2,170)</b>	<b>(1,638)</b>

**Table 15 - Collection Fund – 2023/24 Share of Balances; Forecast Position**

Collection Fund Balance	Council Tax £000	NDR £000	Total £000
Share - Oldham Council	448	(2,148)	(1,700)
Share – Greater Manchester Combined Authority - Mayoral Police and Crime Commissioner	58	-	58
Share – Greater Manchester Combined Authority - Mayoral General Precept (including Fire and Rescue Services)	26	(22)	4
<b>Total Deficit/(Surplus)</b>	<b>532</b>	<b>(2,170)</b>	<b>(1,638)</b>

7.2 Council Tax and Business Rates are a significant source of funding for Council services. However, income from these areas can be volatile. The 2023/24 financial year is no different with the on-going impact of the cost of living crisis having an impact on Council Tax collection. As such, the financial position of the Collection Fund is under constant review.

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- 7.3 The Business Rates surplus brought forward from 2022/23 was due in part to collection rates returning to pre-pandemic levels and as can be seen, this healthy position continues into 2023/24.
- 7.4 The Greater Manchester 100% Business Rates Retention Pilot has continued into 2023/24. Any financial benefits arising from membership within the pilot scheme will continue to be monitored, any beneficial financial resource will be used if possible to support the Council's budget.
- 7.5 As highlighted in Table 14 and 15 above, current year end Collection Fund projections are showing an overall surplus of £1.638m, with the Council's proportion of this surplus being £1.700m. As advised previously, the Collection Fund is a particularly volatile area to forecast with many variables, including the impact of Government Business Rate reliefs, therefore, this area will be closely monitored over the remaining months. Information will be available later in the year to determine if/ how a surplus or deficit on the Collection Fund will impact on the 2024/25 Council budget.

## **8 Use of Reserves**

- 8.1 Members will recall that at the Council budget meeting of 1 March 2023, it was agreed that Earmarked Reserves of £12.786m would be used to support the 2023/24 revenue budget and a further £3.932m of Earmarked Reserves were proposed to be utilised to support the 2024/25 revenue budget. The Earmarked Reserves to be utilised in 2023/24 and 2024/25 were to be met by fully utilising the specific Balancing Budget reserve of £16.718m.
- 8.2 In addition, there is an offsetting transfer to reserves of £1.209m reflecting the requirement, under the Business Rates Retention Pilot scheme, to pay the Greater Manchester Combined Authority a share of Retained Business Rates income.
- 8.3 As previously mentioned at paragraph 3.7.6, the Council has received £2.837m this year from GMCA, being the share of a £27.000m GM wide refund of reserves from the GM Waste Disposal Service. This unbudgeted income has been transferred to Earmarked Reserves to support the financial resilience of the Council.
- 8.4 At the beginning of 2023/24, reserves balances totalled £87.099m comprising of Earmarked Reserves of £79.130m and Revenue Grant Reserves of £7.968m.
- 8.5 Supplementary to the above transfers to and from reserves, the Quarter 1 position incorporates additional Portfolio/corporate use of reserves with a total (net) value of £10.223m, therefore the budget as a whole currently relies upon the application of a net £21.800m of reserves. The resultant impact, incorporating the additional £2.837m waste reserve refund is for an estimated combined closing value of £68.135m, comprising £61.653m of Earmarked Reserves and £6.482m of Revenue Grant Reserves, as illustrated in the table below. It is however anticipated that this position will change as the year progresses. Should the current adverse variance of £12.104m need to be addressed by the use of earmarked reserves at the year end the £68.135m will reduce to £56.031m.

**Table 16 – Reserves Summary**

	<b>Earmarked Reserves £000</b>	<b>Revenue Grant Reserves £000</b>	<b>Total Reserves £000</b>
<b>Opening Balance as at 1 April 2023</b>	<b>(79,130)</b>	<b>(7,968)</b>	<b>(87,099)</b>
Reserves applied to balance the Budget	12,786	-	12,786
Transfer to Earmarked Reserves - Business Rates Retention Pilot Gain	(1,209)	-	(1,209)
<b>In Year Balance</b>	<b>(67,553)</b>	<b>(7,968)</b>	<b>(75,522)</b>
<b>Portfolio Transfers from Reserve</b>			
Community Health and Adult Social Care	3,059	-	3,059
Children's Services	240	148	388
Public Health	40	1,338	1,378
Communities	1,143	-	1,143
Place and Economic Growth	970	-	970
Corporate Services	274	-	274
Capital, Treasury and Technical Accounting	3,064	-	3,064
<b>Total Portfolio Transfers from Reserve</b>	<b>8,791</b>	<b>1,486</b>	<b>10,277</b>
<b>Portfolio Transfers to Reserves</b>			
Community Health and Adult Social Care	-	-	-
Children's Services	-	-	-
Public Health	-	-	-
Communities	-	-	-
Place and Economic Growth	(54)	-	(54)
Corporate Services	-	-	-
Capital, Treasury and Technical Accounting	-	-	-
<b>Total Portfolio Transfers to Reserve</b>	<b>(54)</b>	<b>-</b>	<b>(54)</b>
<b>Total Portfolio Use of Reserves</b>	<b>8,737</b>	<b>1,486</b>	<b>10,223</b>
<b>Return of Waste Disposal Reserve (GMCA)</b>	<b>(2,837)</b>	<b>-</b>	<b>(2,837)</b>
<b>Closing Balance as at Quarter 1</b>	<b>(61,653)</b>	<b>(6,482)</b>	<b>(68,135)</b>

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8.6 In line with the Council's reserves policy, the recommended use of reserves to fund spend during the year have been initially approved by the appropriate officers prior to consideration by Cabinet. However, as there is a need to minimise the use of reserves in order to support the financial resilience of the Council, only those reserves supporting essential business will be utilised this year.

8.7 The availability of reserves is a demonstration of the financial resilience of the Council and as such the reserves must be carefully managed. However, the use of reserves is also a means by which the Council can support the 2023/24 and future years budget setting processes and Medium-Term Financial Strategy. In addition to use in the current financial year, as part of the 2023/24 Budget setting process agreed by Council on 1 March 2023, Members approved a commitment of a further £3.932m of reserves for 2024/25. The continued reduction in the level of available reserves, will, however, reduce the financial resilience of the Council.

## **9 Flexible Use of Capital Receipts**

9.1 Members will recall that at the Council meeting of 1 March 2023, it was approved that up to £2.600m of capital receipts would be used to underpin the revenue budget in line with the flexibilities agreed by Secretary of State for Housing, Communities and Local Government in March 2016. In April 2022, guidance on the flexible use of capital receipts was updated by the Department for Levelling Up, Housing and Communities which extended the flexibility that has been in place since 2016. This allows the freedom to continue up to 2024/25 to help Authorities plan for the long-term.

9.2 A number of schemes in support of the transformation programme which meet the qualifying expenditure requirements as detailed within the statutory guidance issued by the DLUHC have been identified and are itemised within the approved 2023/24 Capital Programme. The contribution to the Flexible Use of Capital Receipts is the first call on any receipts generated by the Council and processes are in place to monitor progress throughout the year. Annex 2 to this report which sets out the Capital Programme position confirms that receipts totalling £2.587m have been received to date. This is currently slightly below the amount required to underpin the revenue budget requirement of £2.600m, however, further receipts are anticipated during the remainder of the financial year.

## **10 Conclusion**

10.1 At the start of 2023/24 there still remains uncertainty about the financial position created by the lasting impact of COVID-19. This is not simply the on-going effects of the pandemic but its continued impact on the demand for both Adults and Children's Social Care, the cost of care and in relation to the pressures being felt by certain areas of the provider market. In addition, the cost pressures in relation to utilities and fuel, the impact of cost of living crisis, the potential impact on pay awards and also interest rates continue to be of concern in 2023/24. The forecasting of the likely impact of all these factors on the Council's budget has been based on both the actual expenditure and the income impact recorded but also relies on a series of assumptions which will be reviewed and updated as the financial year progresses.

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- 10.2 The current projected position, after adjustment for the use of reserves is an overspend of £12.104m. The financial pressure in Children’s Social Care is especially concerning as there was significant additional funding included in the 2023/24 budget to stabilise Children’s Services. Whilst the Council has previously faced in-year financial pressures during the first quarter of the year, this is the most severe (excluding pressures generated by the COVID-19 pandemic which were subsequently addressed by the receipt of Government grant support).
- 10.3 The pressure caused by failure to deliver or uncertainty about the delivery of Budget Reductions, as outlined in sections 2.14 to 2.16 is also of concern. However, there is time for the reductions to be delivered and/ or mitigations to be put in place, particularly in respect of the 7 options, with a value of £2.252m currently rated as ‘Amber- Being closely monitored but expected to be delivered’
- 10.4 The reserves position is important in the context of financial resilience. Whilst the year started with relatively healthy balances of earmarked reserves (£79.130m) and Revenue Grants Reserves (£7.968m), as advised in this report, net earmarked reserves of £17.477m and net Revenue Grant reserves of £1.486m are forecast to be called into support the 2023/24 budget, after which there is an anticipated combined reserves balance of £68.135m. With a potential additional call of £12.104m to offset the current forecast deficit and an already approved use of £3.932m of reserves to balance the 2024/25 budget, the actual availability in 2024/25 could reduce to £52.099m. At this level of utilisation, it is vitally important to minimise the future use of reserves in year to maintain financial resilience of the Council.
- 10.5 In view of the projected adverse variance, it is important to ensure that measures are taken to address the overspending, namely:
- management actions across all service areas to review and challenge planned expenditure and to maximise income;
  - processes to monitor the recruitment of staff to vacant posts and significant items of expenditure; and
  - ensuring non-essential expenditure is minimised.
- In effect this is a continuation of actions that were initiated last year (and previous years), however, the variance at month 3 is much more significant than that at the same point in 2022/23. It is therefore essential that this approach is rigorously applied and where possible, any transformation programme projects linked to savings are accelerated
- 10.6 The effectiveness of management action and corporate procedures will continue to be closely monitored by Management Teams right up to the end of the financial year. Management action should ease the overall financial pressures but the impact of such action has not been included in the forecast as it has yet to be demonstrated.
- 10.7 The Council has already begun its preparation for budget setting for 2024/25. Members will recall that the forecast budget gap for 2024/25 presented at Budget Council on 1 March 2023 was £10.224m. This assumed all approved budget reductions are delivered and is before any revisions to reflect further increases in demand pressures or higher
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than anticipated pay awards. If the financial pressures experienced in 2023/24 continue into 2024/25 and there is a consequent increased budget reduction requirement for 2024/25, it is likely that further reserves will have to be used to balance the budget and this will have an impact on the financial resilience of the Council.



## Appendix 1

FINANCING OF THE 2023/24 BUDGET	Original Budget	Additions to Quarter 3	Revised Budget
	£000	£000	£000
<b>Net Expenditure Budget</b>	<b>(260,686)</b>		<b>(260,686)</b>
<b>Financed by:</b>			
Business Rates Top-up Grant	(46,016)	(577)	(46,593)
Grant in Lieu of Business Rates	(25,987)		(25,987)
Social Care Support Grant	(21,454)		(21,454)
Improved Better Care Fund Grant	(11,188)		(11,188)
2022/23 Services Grant	(2,620)		(2,620)
Housing Benefit Administration Grant	(810)		(810)
New Homes Bonus Grant	(252)		(252)
Revenue and Benefits Service New Burdens Grant	(11)		(11)
Capital Grants		(1,838)	(1,838)
Family Hubs and Start for Life Programme Grant		(1,444)	(1,444)
Rough Sleeping Drug & Alcohol Treatment Grant		(708)	(708)
Supplementary Substance Misuse Treatment and Recovery Funding Grant		(497)	(497)
Individual Placement and Support Grant		(156)	(156)
Extended Rights to Free Travel Grant		(45)	(45)
<b>Total Government Grant Funding</b>	<b>(108,338)</b>	<b>(5,265)</b>	<b>(113,603)</b>
Council Tax Income - General (Including parish precepts)	(94,449)		(94,449)
Council Tax Income - Adult Social Care Precept	(14,874)		(14,874)
Council Tax Surplus	(4,130)		(4,130)
Retained Business Rates	(53,683)		(53,683)
<b>Total Locally Generated Income</b>	<b>(167,136)</b>	-	<b>(167,136)</b>
<b>Total Grant and Income</b>	<b>(275,474)</b>	<b>(5,265)</b>	<b>(280,739)</b>
Use of General Earmarked Reserves	(12,786)		(12,786)
Transfer to Earmarked Reserves - Business Rates Retention Pilot Gain	1,209		1,209
<b>Total Use of Reserves</b>	<b>(11,577)</b>	-	<b>(11,577)</b>
<b>Total Financing</b>	<b>(287,051)</b>	<b>(5,265)</b>	<b>(292,316)</b>



<b>Appendix 2- Analysis of Grants</b>		
<b>Grant Name</b>	<b>Grant Type</b>	<b>Forecast £000</b>
<b>Community Health and Adult Social Care</b>		
Better Care Fund	Other	(15,097)
Adult Social Care Discharge Fund	Govt.	(1,568)
ASC Data Collection Grant	Govt.	(19)
Changing Futures in GM	Govt.	(322)
Market Sustainability and Fair Cost of Care Fund	Govt.	(2,628)
<b>Sub Total</b>		<b>(19,634)</b>
<b>Children's Services</b>		
PFI Credits (2 contracts)	Govt. (x2)	(8,988)
Skills Funding Agency Adult Education Grant	Govt.	(2,805)
Holiday Activities and Food Grant	Govt.	(1,480)
Domestic Abuse Grant	Govt. (x2)	(762)
Unaccompanied Asylum-Seeking Children (UASC) Grant	Govt.	(536)
Youth Justice Board Grant	Govt.	(496)
Former UASC - Care Leavers Grant	Govt.	(287)
Staying Put Grant	Govt.	(201)
Balance: Grants less than £0.150m	Govt. (x6) Other (x1)	(500)
<b>Sub-Total</b>		<b>(16,054)</b>
<b>Public Health</b>		
PFI Credits	Govt.	(1,803)
<b>Sub -Total</b>		<b>(1,803)</b>
<b>Communities</b>		
Community Safety Grant	Other	(480)
Serious Violence Grant	Govt.	(150)
Balance: Grants less than £0.150m	Govt. (x2) Other (x1)	(217)
<b>Sub-Total</b>		<b>(847)</b>
<b>Place and Economic Growth</b>		
PFI Credits	Govt.	(2,471)
Homelessness Prevention Grant	Govt.	(578)
A Bed Every Night (ABEN) Grant	Govt.	(273)
Community Accommodation Services - Tier 3 Grant	Govt.	(247)
Balance: Other Government Grants less than £0.150m	Govt. (x5)	(501)
<b>Sub-Total</b>		<b>(4,070)</b>
<b>Corporate Services</b>		
Household Support Fund Grant	Govt.	(4,839)
Council Tax Rebate Grant	Govt.	(573)
European Regional Development Fund Grant	Other	(276)
Balance: Other Government Grants less than £0.150m	Govt. (x4)	(213)
<b>Sub-Total</b>		<b>(5,901)</b>
<b>Capital and Treasury</b>		
Housing Benefit Subsidy Grant - Rent Allowances	Govt.	(33,511)
Housing Benefit Subsidy Grant - Rent Rebates	Govt.	(5,093)
<b>Sub-Total</b>		<b>(38,603)</b>
<b>Total Ringfenced Grants include within the Net Revenue Budget</b>		<b>(86,913)</b>
<b>Housing Revenue Account</b>		
PFI Credits (2 contracts)	Govt. (x2)	(18,799)
<b>Total</b>		<b>(105,712)</b>

**Appendix 3 - Summary of 2023/24 Budget Reductions**

	Rating	Approved Budget Reduction £000	Deliverable £000	Shortfall £000
Green	Has / is expected to be fully delivered	(17,549)	(17,549)	0
Amber	Being closely monitored but expected to deliver (no impact of Financial Forecast)	(2,252)	(2,252)	0
Amber/Red	Being closely monitored in year with elements expected not to be delivered (Financial Forecast updated)	(60)	(20)	40
Red	Will not/ is not expected to be delivered in full (Financial Forecast updated)	(108)	0	108
		(19,969)	(19,821)	148

Reference	Proposal Name	Rating	Approved Budget Reduction £000	Deliverable £000	Shortfall £000
<b>Community Health and Adult Social Care</b>					
CSA-BR1-435	Residential Enablement Redesign (Medlock Court)	Green	(400)	(400)	0
ASC-BR1-548	Smarter Ways of Working	Green	(119)	(119)	0
ASC-BR1-552	Review Care and Support Plans	Green	(1,255)	(1,255)	0
ASC-BR1-601	Adult Social Care - Direct Payments	Green	(1,300)	(1,300)	0
ASC-BR1-602	Adult Social Care - Target Operating Model	Green	(500)	(500)	0
	<b>Total</b>		(3,574)	(3,574)	0

Reference	Proposal Name	Rating	Approved Budget Reduction £000	Deliverable £000	Shortfall £000
<b>Childrens Services</b>					
CHS-BR1-445	Early Help Remodelling	Green	(300)	(300)	0
CHS-BR1-441	Special Educational Needs & Disability (SEND) Education Provision	Amber	(372)	(372)	0
CHS-BR1-536	Oldham Learning reduced de-delegated funding	Green	(45)	(45)	0
CHS-BR1-543	Delete Post - Social Worker in Permanence	Green	(46)	(46)	0
CHS-BR1-547	Savings on Targeted Youth Lot 3	Green	(23)	(23)	0
CHS-BR1-603	Learning Services – School Improvement and Support, Virtual School	Green	(51)	(51)	0
CHS-BR1-604	Re-alignment of SEND Central Services & Support	Green	(200)	(200)	0
CHS-BR1-605	School Support Services - Academisation	Amber/Red	(60)	(20)	40
PEG-BR1-608	Employment & Enterprise - Economic Growth (Get Oldham Working)	Green	(36)	(36)	0
	<b>Total</b>		(1,133)	(1,093)	40

Reference	Proposal Name	Rating	Approved Budget Reduction £000	Deliverable £000	Shortfall £000
<b>Public Health</b>					
PHT-BR1-612	Sexual Health	Green	(18)	(18)	0
PHT-BR1-613	NHS Health Checks	Green	(27)	(27)	0
PHT-BR1-614	Public Health Budget	Green	(400)	(400)	0
PHT-BR1-615	Young People's Substance Misuse & Sexual Health Service	Amber	(75)	(75)	0
	<b>Total</b>		(520)	(520)	0

Reference	Proposal Name	Rating	Approved Budget Reduction £000	Deliverable £000	Shortfall £000
<b>Communities</b>					
COM-BR1-616	Reduction in Councillor Ward budgets	Green	(60)	(60)	0
COM-BR1-618	School Swimming Service	Red	(10)	0.0	10
COM-BR1-619	OCL Sports Development School Coaching Service	Green	(14)	(14)	0
	<b>Total</b>		(84)	(74)	10

Reference	Proposal Name	Rating	Approved Budget Reduction £000	Deliverable £000	Shortfall £000
<b>Place and Economic Growth</b>					
PPL-BR1-401	Creating a Better Place - Projects & Assets	Amber	(800)	(800)	0
PPL-BR1-508	Increase External Customer Base - Trade Waste	Green	(10)	(10)	0
PPL-BR1-510	Public Protection Restructures - Env. Health & First Response	Green	(50)	(50)	0
PPL-BR1-504	Visit Oldham, Training Budget and Oldham Enterprise Trust	Green	(48)	(48)	0
PPL-BR1-505	Corporate Landlord and Facilities Management	Green	(100)	(100)	0
PEG-BR1-606	Capitalisation of Transport officers	Green	(80)	(80)	0
PEG-BR1-607	Increase Capitalisation of staff time on regeneration projects	Green	(79)	(79)	0
PEG-BR1-609	Employment & Enterprise - Economic Growth (Investment)	Green	(37)	(37)	0
PEG-BR1-635	Reshape Bonfire Event	Red	(25)	0.0	25
PEG-BR1-636	Don't Trash Oldham Betterment Programme	Green	(112)	(112)	0
PEG-BR1-638	Increase Fees in Cemeteries and Crematoria Service	Green	(228)	(228)	0
PEG-BR1-639	Increase Fees for Community Pitch Hire	Green	(4)	(4)	0
PEG-BR1-641	Income Generation – Trade Waste	Green	(120)	(120)	0
PEG-BR1-642	Variable Lighting Strategy	Amber	(800)	(800)	0
	<b>Total</b>		<b>(2,493)</b>	<b>(2,468)</b>	<b>25</b>

Reference	Proposal Name	Rating	Approved Budget Reduction £000	Deliverable £000	Shortfall £000
<b>Corporate Services</b>					
CEX-BR1-517	Finance Service - Unity Contract	Green	(73)	(73)	0
PPL-BR1-512	Information and Communications Technology (ICT)	Green	(15)	(15)	0
COR-BR1-610	Resource review of Research and Engagement	Green	(22)	(22)	0
COR-BR1-611	Realignment of Executive Assistants	Green	(17)	(17)	0
COR-BR1-617	Cease the Provision of a Meal prior to Council Meetings	Green	(10)	(10)	0
COR-BR1-620	HR and Organisational Development Service Restructure	Amber	(100)	(100)	0
COR-BR1-621	MS Licences migration to cheaper licences for some staff	Red	(50)	0.0	50
COR-BR1-622	MS Licences Improved Starter / Leaver Process	Red	(23)	0.0	23
COR-BR1-624	Reduction in Customer and Digital Experience	Green	(43)	(43)	0
COR-BR1-626	Review of CDTT Operating Model including ICT	Amber	(80)	(80)	0
COR-BR1-627	CDTT operating model review and implementation of Transformation changes	Green	(145)	(145)	0
COR-BR1-628	Democratic Services Review	Green	(85)	(85)	0
COR-BR1-631	Finance Service Restructure	Green	(182)	(182)	0
COR-BR1-634	Procurement - Reduction in non-pay budgets	Amber	(25)	(25)	0
	<b>Total</b>		<b>(870)</b>	<b>(797)</b>	<b>73</b>

Reference	Proposal Name	Rating	Approved Budget Reduction £000	Deliverable £000	Shortfall £000
<b>Capital and Treasury</b>					
COR-BR1-629	Reprofiling of the Minimum Revenue Provision	Green	(4,800)	(4,800)	0
COR-BR1-630	Service Inflation	Green	(6,350)	(6,350)	0
COR-BR1-633	PFI Insurance rebate/reduction in professional fees	Green	(145)	(145)	0
	<b>Total</b>		<b>(11,295)</b>	<b>(11,295)</b>	<b>0</b>
	<b>Grand Total</b>		<b>(19,969)</b>	<b>(19,821)</b>	<b>148</b>

## CAPITAL INVESTMENT PROGRAMME REPORT 2023/24

### Quarter 1 – June 2023

#### 1 Background

- 1.1 The original capital programme for 2023/24 reflected the priorities outlined in the capital strategy as approved at Cabinet on 13 February 2023 and confirmed at the Council meeting on 1 March 2023.
- 1.2 The outturn position as at 31 March 2023 and the position at the end of Month 3 (June 2023) is highlighted in this report.
- 1.3 For the remainder of the financial year, the programme will continue to be monitored and revised to take account of any new developments and changes in the profile of planned expenditure.

#### Current Position

- 2.1 Table 1 below shows the capital programme for 2023/24 and a further four years to 2027/28, and reflects the priorities outlined in the capital strategy as approved at Cabinet on 13 February 2023 and confirmed at the Council meeting on the 1 March 2023.

**Table 1 – 2023/28 Capital Strategy**

Directorate Budget	2023/24 £000	2024/25 £000	2025/26 £000	2026/27 £000	2027/28 £000	Total £000
Community Health and Adult Social Care	3,023	2,643	846	400		6,912
Children's Services	10,258	4,850	1,691	1,500	1,500	19,799
Communities	400	100	-	-	-	500
Place and Economic Growth	83,936	81,101	27,309	36,507	3,054	231,907
Housing Revenue Account (HRA)	1,000	500	95	-	-	1,595
Corporate/Information Technology (IT)	5,958	3,960	2,650	2,150	-	14,718
Capital, Treasury & Technical Accounting	4,238	2,738	234	10,120	-	17,330
Funding for Emerging Priorities	1,492	12,486	13,836	4,885	-	32,699
<b>Total Expenditure</b>	<b>110,305</b>	<b>108,378</b>	<b>46,661</b>	<b>55,562</b>	<b>4,554</b>	<b>325,460</b>

(subject to rounding – tolerance +/- £1k)

Funding	2023/24 £000	2024/25 £000	2025/26 £000	2026/27 £000	2027/28 £000	Total £000
Grant & Other Contributions	(40,549)	(42,458)	(6,483)	(5,554)	(3,054)	(98,098)
Prudential Borrowing	(61,186)	(62,556)	(39,028)	(49,038)	(1,500)	(213,308)
Revenue Contributions	(1,000)	(500)	(95)	-	-	(1,595)
Capital Receipts	(7,569)	(2,865)	(1,056)	(970)	-	(12,460)
<b>Grand Total</b>	<b>(110,305)</b>	<b>(108,378)</b>	<b>(46,661)</b>	<b>(55,562)</b>	<b>(4,554)</b>	<b>(325,460)</b>

(subject to rounding – tolerance +/- £1k)

2.2 Following the 2022/23 Month 9 report which was approved at Cabinet on 20 March 2023, the 2023/24 Capital Programme was revised to reflect anticipated reprofiling. Forecast expenditure therefore increased to £119.292m. Taking into account the 2022/23 months 10-12 approved movements of £8.964m and the outturn adjustment of £5.324m there is a revised budget of £122.931m, as presented below.

2.3 Following a detailed review of the capital programme in June 2023, it is suggested that a further £19.183m of planned expenditure is reprofiled into future financial years. Further detail about the movements is contained in Appendix F. Assuming all the movements are approved it would leave a revised budget of £103.748m for 2023/24 based on the latest information as at 30 June 2023.

**Table 2 – 2023/24 Capital Programme**

Directorate	2023/24 as at M09 2022/23 (restated) £000	Other Approved Budget changes after M09 £000	2022/23 Outturn Adjustment £000	Revised Budget 2023/24 £000	Proposed Virement/ Rephase £000	Revised Budget (M03) £000
Community Health and Adult Social Care	3,023	299	(43)	3,279		3,279
Children's Services	11,058	7	(1,473)	9,592	(2,937)	6,655
Communities	542	11	37	590		590
Place and Economic growth	91,146	8,500	(2,751)	96,895	(14,617)	82,278
Housing Revenue Account	1,000	-	-	1,000		1,000
Corporate/Information Technology	6,792	155	(473)	6,474	(1,640)	4,834
Capital Treasury & Technical Accounting	4,238	-	(66)	4,172	11	4,183
Funding for Emerging Priorities	1,492	(8)	(555)	929		929
<b>Overall Total</b>	<b>119,292</b>	<b>8,964</b>	<b>(5,324)</b>	<b>122,931</b>	<b>(19,183)</b>	<b>103,748</b>

2.4 Given that this is the position as at Quarter 1 and in view of the current challenges being faced including the pressure caused by the economic position, there must remain an element of uncertainty about the forecast position: that said the forecasts are based on the latest and most up to date information. A further breakdown of Table 2 on a service by service area basis is shown at Appendices A to H and the detailed breakdown of proposed virement/rephasing, both expenditure and financing, is shown in Appendix I.

2.5 Actual expenditure to 30 June 2023 was £12.405m (11.96% of the proposed forecast outturn). This spending profile is higher than in previous years (2022/23: 8.62%). The position will be kept under review and budgets will be managed in accordance with forecasts.

## Re-profiling of the Capital Programme

- 2.6 The revised capital programme for 2023/24 to 2027/28, considering all the above amendments in arriving at the revised forecast position, is shown in Table 3 together with the projected financing profile.

**Table 3 – 2023/4 to 2027/28 Current Capital Programme**

Directorate Budget	2023/24 £000	2024/25 £000	2025/26 £000	2026/27 £000	2027/28 £000	TOTAL £000
Community Health and Adult Social Care	3,279	2,643	320	400	-	<b>6,642</b>
Children's Services	6,655	3,730	4,058	3,182	1,500	<b>19,125</b>
Communities	590	100	-	-	-	<b>690</b>
Place and Economic Growth	82,278	88,977	34,551	33,954	3,054	<b>242,814</b>
Housing Revenue Account (HRA)	1,000	500	95	-	-	<b>1,595</b>
Corporate/Information Technology (IT)	4,834	4,564	2,840	2,834	1,027	<b>16,099</b>
Capital, Treasury & Technical Accounting	4,183	2,738	234	10,137	-	<b>17,292</b>
Funding for Emerging Priorities	929	8,118	13,836	4,884	-	<b>27,767</b>
<b>Grand Total</b>	<b>103,748</b>	<b>111,370</b>	<b>55,934</b>	<b>55,391</b>	<b>5,581</b>	<b>332,024</b>

(subject to rounding – tolerance +/- £1k)

Funding	2023/24 £000	2024/25 £000	2025/26 £000	2026/27 £000	2027/28 £000	TOTAL £000
Grant & Other Contributions	(39,962)	(50,140)	(10,469)	(4,602)	(3,054)	<b>(108,227)</b>
Prudential Borrowing	(54,427)	(57,433)	(43,966)	(49,913)	(2,527)	<b>(208,266)</b>
Revenue Contributions	(1,063)	(500)	(95)	-	-	<b>(1,658)</b>
Capital Receipts	(8,296)	(3,298)	(1,404)	(875)	-	<b>(13,873)</b>
<b>Grand Total</b>	<b>(103,748)</b>	<b>(111,370)</b>	<b>(55,934)</b>	<b>(55,391)</b>	<b>(5,581)</b>	<b>(332,024)</b>

(subject to rounding – tolerance +/- £1k)

- 2.7 Following the approval of the Capital Strategy in March 2023, a number of year-end adjustments and new approvals have taken place. This leaves the revised 2023/24-2027/28 capital programme at £332.024m, an increase of £6.564m, which is broken down in the table below.

**Table 4 – Capital Programme Movement**

Expenditure movement	£000s
Net rephase from 2022/23	4,030
New Grant funded schemes	2,534
<b>Total Expenditure Increase</b>	<b>6,564</b>

(subject to rounding – tolerance +/- £1k)

- 2.8 Although not within the first quarter of the year, Members will be aware that Cabinet, at its meeting on 17 July 2023, approved action to stabilise the adult social care market within Oldham leading to the acquisition (out of administration) of a Care Home by a wholly owned Council company. Current expenditure has been incorporated within the forecast position.

- 2.9 The revised Funding for Emerging Priorities for 2023/24 to 2027/28, taking into account all the above amendments is shown at Table 5.

**Table 5 - Provision for Emerging Priorities**

	2023/24 £000	2024/25 £000	2025/26 £000	2026/27 £000	2027/28 £000	Total £000
Provision for Emerging Priorities	929	8,118	13,836	4,884	-	27,767

Compared to the allocation set out in the approved Capital Strategy there has been a reduction in available resources of £4.932m following the approval of additional funding for Alexandra Park Depot, the Spindles Refurbishment, Diggle Clock Tower and Replacement of Litter Bins schemes at the end of 2022/2023.

### Capital Receipts

- 2.10 The capital programme requires the availability of £8.296m of capital receipts in 2023/24 for financing purposes. This includes £2.600m to support transformational activity in the General Fund using the flexibility allowed by Government.

The total net usable capital receipts currently received in year is £2.587m, the first call being the £2.600m outlined above (which as can be seen is almost fully covered).

- 2.11 The capital receipts position as at 30 June 2023 is as follows:

**Table 6 – Capital Receipts 2023/24**

	£000	£000
Capital Receipts Financing Requirement		8,296
Usable Capital Receipt b/fwd.	-	
Actual received to date	(2,587)	
Further anticipated capital receipt in year	(2,917)	
<b>Further Required in 2023/24</b>		<b>2,792</b>

(subject to rounding – tolerance +/- £1k)

- 2.12 Given the significant amount of capital receipts needed to finance the capital programme in this and future years it is imperative that the capital receipts/disposal schedule is adhered to. This is monitored at the monthly capital receipts meeting and will be subject to on-going review throughout the year. It is of course recognised that the ongoing economic instability with increasing interest rates and the impact on borrowing costs, coupled with the increase cost of living will continue to impact on business/economic activities making capital disposals more challenging.
- 2.13 The Capital Strategy and Capital Programme 2023/28 incorporates an expectation of the level of receipts that is anticipated in each of the respective years and therefore an estimate as to the resultant level of over or under programming in order to present a balanced budget. As can be seen below, the most recent review has produced a forecast which is below the financing projections included in Table 3. Should the currently estimated position prevail then the position would be as illustrated in the table below:



**Table 7 – Capital Receipts 2023/24 to 2027/28**

<b>Capital Receipts</b>	<b>2023/24 £000</b>	<b>2024/25 £000</b>	<b>2025/26 £000</b>	<b>2026/27 £000</b>	<b>2027/28 £000</b>
Capital Receipts Carried Forward	-	2,792	(887)	517	1,392
Estimated Capital Receipts	(2,917)	(6,977)	-	-	-
Received in year	(2,587)				
<b>Total Receipts</b>	<b>(5,504)</b>	<b>(4,185)</b>	<b>(887)</b>	<b>517</b>	<b>1,392</b>
Capital Receipts Financing Requirement	8,296	3,298	1,404	875	-
<b>Over/(Under) programming</b>	<b>2,792</b>	<b>(887)</b>	<b>517</b>	<b>1,392</b>	<b>1,392</b>

(subject to rounding – tolerance +/- £1k)

- 2.14 Although the capital receipts forecast is currently lower than the required amount, given that this is the month 3 position and there is the opportunity for the forecast to improve, at this stage it is considered appropriate to retain the original forecast and review this during the course of the current year. The consequence should the level of capital receipts fall is either, a corresponding increase in the level of prudential borrowing and hence an impact on the revenue budget, or a reduction in the overall capital programme.

### **Annual Review of the Capital Programme**

- 2.15 In accordance with previous practice, there is once again a review of the capital programme over the summer months (the Summer Review). This is examining any further opportunities to reallocate, decommission or reprofile resources. It will also include an in-depth analysis of capital receipts to support a revised forecast.

## **3 Conclusion**

- 3.1 Whilst the current projected position is showing the outturn to match the budget, a detailed review of the capital programme (the Annual Review) is being undertaken to establish if there are any surplus resources that can be realigned or any further re-profiling required. It is therefore likely that there will be some further rephrasing across all years to reflect developments relating to individual projects/schemes.
- 3.2 The capital programme is being continually monitored and is reported to Members on a regular basis.

## **4 Appendices**

- 4.1 Appendix A - SUMMARY – Qtr 1 - Community Health and Adult Social Care  
Appendix B - SUMMARY – Qtr 1 - Children’s Service  
Appendix C - SUMMARY – Qtr 1 - Communities  
Appendix D - SUMMARY – Qtr 1 - Place and Economic Growth  
Appendix E - SUMMARY – Qtr 1 - Housing Revenue Account (HRA)  
Appendix F - SUMMARY – Qtr 1 - Corporate/Information Technology  
Appendix G - SUMMARY – Qtr 1 - Capital Treasury and Technical Accounting  
Appendix H - SUMMARY – Qtr 1 - Funding for Emerging Priorities  
Appendix I – SUMMARY – Qtr 1 – Proposed Changes



**SUMMARY – Quarter 1 (June 2023) - Community Health and Adult Social Care**

**APPENDIX A**

Service area	Original Budget £000	Approved Changes /Virements £000	2022/23 Rephasing/ Acceleration £000	Revised Budget 2023/24 £000	Proposed Virement £000	Revised Budget (M3) £000	Forecast £000	Year End Variance £000
Adult Services	3,023	299	(43)	3,279	-	3,279	3,279	-
<b>Community Health and Adult Social Care Total</b>	<b>3,023</b>	<b>299</b>	<b>(43)</b>	<b>3,279</b>	<b>-</b>	<b>3,279</b>	<b>3,279</b>	<b>-</b>

(subject to rounding – tolerance +/- £1k)

**SUMMARY – Quarter 1 (June 2023) – Children’s Service**

**APPENDIX B**

Service area	Original Budget £000	Approved Changes /Virements £000	2022/23 Rephasing/ Acceleration £000	Revised Budget 2023/24 £000	Proposed Virement £000	Revised Budget (M3) £000	Forecast £000	Year End Variance £000
Children, Young People and Families (CYPF)	-	-	174	174	-	174	174	-
Schools - General Provision	4,266	421	(104)	4,583	(2,937)	1,646	1,646	-
Schools – Primary	1,250	273	545	2,068	-	2,068	2,068	-
Schools – Secondary	4,724	113	(2,086)	2,751	-	2,751	2,751	-
Schools – Special	18	0	(2)	16	-	16	16	-
Schools New Build	-	0	-	-	-	-	-	-
<b>Children’s Service Total</b>	<b>10,258</b>	<b>807</b>	<b>(1,473)</b>	<b>9,592</b>	<b>(2,937)</b>	<b>6,655</b>	<b>6,655</b>	<b>-</b>

(subject to rounding – tolerance +/- £1k)

**SUMMARY – Quarter 1 (June 2023) – Communities**

**APPENDIX C**

Service area	Original Budget £000	Approved Changes /Virements £000	2022/23 Rephasing/ Acceleration £000	Revised Budget 2023/24 £000	Proposed Virement £000	Revised Budget (M3) £000	Forecast £000	Year End Variance £000
Local Investment Fund	400	153	37	590	-	590	590	-
<b>Communities Total</b>	<b>400</b>	<b>153</b>	<b>37</b>	<b>590</b>	<b>-</b>	<b>590</b>	<b>590</b>	<b>-</b>

(subject to rounding – tolerance +/- £1k)

**SUMMARY – Quarter 1 (June 2023) – Place and Economic Growth**

**APPENDIX D**

Service area	Original Budget £000	Approved Changes /Virements £000	2022/23 Rephasing/ Acceleration £000	Revised Budget 2023/24 £000	Proposed Virement £000	Revised Budget (M3) £000	Forecast £000	Year End Variance £000
Asset Mgt - Asset Management	7,419	1,807	(93)	9,133	-	9,133	9,133	-
Asset Mgt - Education Premises	1,749	857	15	2,621	-	2,621	2,621	-
Boroughwide Developments	24,455	2,988	(2,897)	24,546	(5,453)	19,093	19,093	-
Development	-	-	11	11	(11)	-	-	-
Boroughwide Projects	-	233	-	233	-	233	233	-
Cemeteries and Crematorium	37	9	-	46	-	46	46	-
Countryside	100	25	66	191	-	191	191	-
Parks	35	311	34	380	-	380	380	-
Playing Fields & Facilities	-	-	2	2	-	2	2	-
Parks & Playing Fields	-	13	-	13	-	13	13	-
Private Housing - HMRF	150	50	49	249	-	249	249	-
Private Housing - Non-HMRF	-	85	63	148	-	148	148	-
Public Realm	50	75	-	125	-	125	125	-
Strategic Acquisitions	2,000	250	(9)	2,241	(1,241)	1,000	1,000	-
Town Centre Developments	33,888	5,464	(1,908)	37,444	(6,000)	31,444	31,444	-
Accident Reduction	198	181	776	1,155	464	1,619	1,619	-
Bridges & Structures	4,589	427	1,351	6,367	(663)	5,704	5,704	-
Fleet Management	298	-	451	749	-	749	749	-
Highway Major Works/Drainage schemes	7,659	1,609	(423)	8,845	(1,667)	7,178	7,178	-
Minor Works	781	481	(71)	1,191	94	1,285	1,285	-
Miscellaneous	528	846	(168)	1,206	(141)	1,065	1,065	-
Street Lighting	-	1,807	-	9,133	-	-	-	-
<b>Place and Economic Growth Total</b>	<b>83,936</b>	<b>15,710</b>	<b>(2,751)</b>	<b>96,895</b>	<b>(14,617)</b>	<b>82,278</b>	<b>82,278</b>	<b>-</b>

(subject to rounding – tolerance +/- £1k)

**SUMMARY – Quarter 1 (June 2023) - Housing Revenue Account (HRA)****APPENDIX E**

Service area	Original Budget £000	Approved Changes /Virements £000	2022/23 Rephasing/ Acceleration £000	Revised Budget 2023/24 £000	Proposed Virement £000	Revised Budget (M3) £000	Forecast £000	Year End Variance £000
Housing Revenue Account	1,000	-	-	1,000	-	1,000	1,000	-
<b>HRA Total</b>	<b>1,000</b>	<b>-</b>	<b>-</b>	<b>1,000</b>	<b>-</b>	<b>1,000</b>	<b>1,000</b>	<b>-</b>

(subject to rounding – tolerance +/- £1k)

**SUMMARY – Quarter 1 (June 2023) – Corporate/Information Technology (IT)****APPENDIX F**

Service area	Original Budget £000	Approved Changes /Virements £000	2022/23 Rephasing/ Acceleration £000	Revised Budget 2023/24 £000	Proposed Virement £000	Revised Budget (M3) £000	Forecast £000	Year End Variance £000
Information Technology	5,958	989	(473)	6,474	(1,640)	4,834	4,834	-
<b>Information Technology Total</b>	<b>5,958</b>	<b>989</b>	<b>(473)</b>	<b>6,474</b>	<b>(1,640)</b>	<b>4,834</b>	<b>4,834</b>	<b>-</b>

(subject to rounding – tolerance +/- £1k)

**SUMMARY – Quarter 1 (June 2023) – Capital Treasury and Technical Accounting****APPENDIX G**

Service area	Original Budget £000	Approved Changes /Virements £000	2022/23 Rephasing/ Acceleration £000	Revised Budget 2023/24 £000	Proposed Virement £000	Revised Budget (M3) £000	Forecast £000	Year End Variance £000
Cross Cutting /Corporate	4,238	-	(66)	4,172	11	4,183	4,183	-
<b>Capital Treasury and Technical Accounting Total</b>	<b>4,238</b>	<b>-</b>	<b>(66)</b>	<b>4,172</b>	<b>11</b>	<b>4,183</b>	<b>4,183</b>	<b>-</b>

(subject to rounding – tolerance +/- £1k)

**SUMMARY – Quarter 1 (June 2023) - Funding for Emerging Priorities****APPENDIX H**

<b>Service area</b>	<b>Original Budget £000</b>	<b>Approved Changes /Virements £000</b>	<b>2022/23 Rephasing/ Acceleration £000</b>	<b>Revised Budget 2023/24 £000</b>	<b>Proposed Virement £000</b>	<b>Revised Budget (M3) £000</b>	<b>Forecast £000</b>	<b>Year End Variance £000</b>
Funding for Emerging Priorities	1,492	(8)	(555)	929	-	929	929	-
<b>Funding for Emerging Priorities Total</b>	<b>1,492</b>	<b>(8)</b>	<b>(555)</b>	<b>929</b>	<b>-</b>	<b>929</b>	<b>929</b>	<b>-</b>

(subject to rounding – tolerance +/- £1k)

**SUMMARY – Quarter 1 (June 2023) Proposed Changes**

**APPENDIX I**

<b>EXPENDITURE BUDGETS TO BE REPROFILED AS AT 30 JUNE 2023</b>	<b>2023/24</b>	<b>2024/25</b>	<b>2025/26</b>	<b>2026/27</b>	<b>2027/28</b>	<b>Total</b>
<b>Children's Services</b>						
Education Basic Need General Provision	(295)	-	368	295	-	<b>368</b>
School Places- Greenfield Primary- temporary classroom & playing fields block	(368)	-	-	-	-	<b>(368)</b>
SEND - Special Provision Capital Fund (SPCF) General Provision 2018-2021	(2,274)	(1,112)	2,000	1,387	-	-
<b>Children's Services Total</b>	<b>(2,937)</b>	<b>(1,112)</b>	<b>2,368</b>	<b>1,682</b>	<b>-</b>	<b>-</b>
<b>Place and Economic Growth</b>						
2021/22 HIP Schemes Amber	(53)	-	-	-	-	<b>(53)</b>
2022/23 – Highway Maintenance Schemes (Red)	35	-	-	-	-	<b>35</b>
2023/24 Highway Maintenance Schemes	1,337	-	-	-	-	<b>1,337</b>
A62 Huddersfield Road, Scouthead (Near Doctor Lane)	20	-	-	-	-	<b>20</b>
A669 Oldham Road, Grasscroft Pedestrian Safety Improvements	(25)	25	-	-	-	-
The Causeway Bridge, The Causeway off Gateway Crescent	(47)	-	-	-	-	<b>(47)</b>
Union Street West Footbridge	(47)	47	-	-	-	-
Denshaw Bridge, Delph Road	(24)	100	-	-	-	<b>76</b>
Laurel Avenue Bridge	17	375	-	-	-	<b>392</b>
Shaws Lane Footbridge	27	-	-	-	-	<b>27</b>
Street Bridge Road Bridge	38	350	-	-	-	<b>388</b>
Bridge Work - King Street Roundabout Footbridge	(76)	76	-	-	-	-
Capital Programme Management	(20)	20	-	-	-	-
Chew Valley Road	40	-	-	-	-	<b>40</b>
Church Road, Shaw - Highway Improvements	19	-	-	-	-	<b>19</b>
DFT ATF - School Streets	121	-	-	-	-	<b>121</b>
DFT ATF T2 Oldham Town Centre - Lees - Grotton Linear Park	6	-	-	-	-	<b>6</b>
DFT ATF T2 Wellington Street	(31)	-	-	-	-	<b>(31)</b>
DFT CF Waterloo & Wellington Bridges	(600)	600	-	-	-	-

<b>Place and Economic Growth cont'd</b>						
Disabled Access Improvements	30	-	-	-	-	<b>30</b>
Disabled Bays	16	-	-	-	-	<b>16</b>
Eastern Gateway Improvements (Prince's Gate)	(121)	121	-	-	-	-
Featherstall Road Roundabout (Signalisation and Provision of Pedestrian Facilities)	(2)	-	-	-	-	<b>(2)</b>
Footway Improvements	100	-	-	-	-	<b>100</b>
Green Shoots (Rhodes Bank)	(2,005)	2,005	-	-	-	-
Higher Turf lane	35	-	-	-	-	<b>35</b>
Honeywell Lane	40	-	-	-	-	<b>40</b>
Hunt Lane Railway Bridge	(4)	224	-	-	-	<b>220</b>
Integrated Minor highways & Traffic Management Schemes	80	-	-	-	-	<b>80</b>
Jubilee Park (Town Centre)	(1,000)	1,000	-	-	-	-
Leisure Review - Boroughwide Sports Provision	-	-	-	(16)	-	<b>(16)</b>
Manchester Street Viaduct refurbishment	(273)	273	-	-	-	-
Chadderton Pedestrian & Cycle Access Improvements	(75)	75	-	-	-	-
Park Bridge NCN 626 to Ashton	(10)	10	-	-	-	-
Park Road NCN 626 to Town Centre	(437)	437	-	-	-	-
Royton Town Centre Connection	(557)	557	-	-	-	-
Minor Drainage Works	50	-	-	-	-	<b>50</b>
Minor Structures Works	125	95	-	-	-	<b>220</b>
Northern Roots	(2,798)	-	2,798	-	-	-
Obligations under Sec 39 Road Traffic Act	70	-	-	-	-	<b>70</b>
Oldham Magistrates Court	(11)	-	-	-	-	<b>(11)</b>
Oldham Town Centre - Rock Street_Lord Street	(1,195)	1,195	-	-	-	-
Oldham Town Centre- Cheapside/West Street	(224)	152	72	-	-	-
Preliminary assessment and design of priority structures	75	-	-	-	-	<b>75</b>
Principal Bridge Inspections	49	-	-	-	-	<b>49</b>
Public Rights of Way (PRoW) Improvements	25	-	-	-	-	<b>25</b>
River Irk Bridge	26	74	-	-	-	<b>100</b>
Safety Barrier Enhancement (Boroughwide)	80	-	-	-	-	<b>80</b>

<b>Place and Economic Growth cont'd</b>						
Spindles Redevelopment	(5,000)	-	5,000	-	-	-
St Marys Primary, Greenfield - School Safety Zone	7	-	-	-	-	7
Strategic Acquisitions- General Provision	(1,241)	-	1,241	-	-	-
Tame Bridge	(9)	229	-	-	-	220
Traffic calming of 20mph, Uppermill, Dobcross	170	-	-	-	-	170
Transport Investment	(672)	(371)	(371)	(2,500)	-	(3,915)
Width Restriction, Wrigley Head, Failsworth	(49)	49	-	-	-	-
Wrigley Head Solar Farm	(650)	650	-	-	-	-
<b>Place Total</b>	<b>(14,617)</b>	<b>8,367</b>	<b>8,739</b>	<b>(2,516)</b>		<b>(27)</b>
<b>Corporate/Information Technology</b>						
Application Portfolio Management Line of Business Systems	30	-	-	-	-	30
Digital Communities Business Insight Performance, Strategy & Policy Foundations	(341)	(600)	(600)	(500)	-	(2,041)
Digital Leadership Business Support HR/OD Foundations	(100)	(50)	150	-	-	-
Digital Services Customer Experience	(1,377)	(109)	(500)	(350)	527	(1,809)
Technology Roadmap Digital and Technology Foundations	(106)					(106)
Data - Theme 3	254	909	950	1,534	500	4,147
<b>Corporate/Information Technology Total</b>	<b>(1,641)</b>	<b>150</b>	<b>-</b>	<b>683</b>	<b>1,027</b>	<b>220</b>
<b>Capital, Treasury and Technical Accounting</b>						
Provision for CPOs	11	-	-	16	-	27
<b>Capital, Treasury and Technical Accounting Total</b>	<b>11</b>	<b>-</b>	<b>-</b>	<b>16</b>	<b>-</b>	<b>27</b>
<b>Grand Total</b>	<b>(19,183)</b>	<b>7,404</b>	<b>11,107</b>	<b>(135)</b>	<b>1,027</b>	<b>220</b>

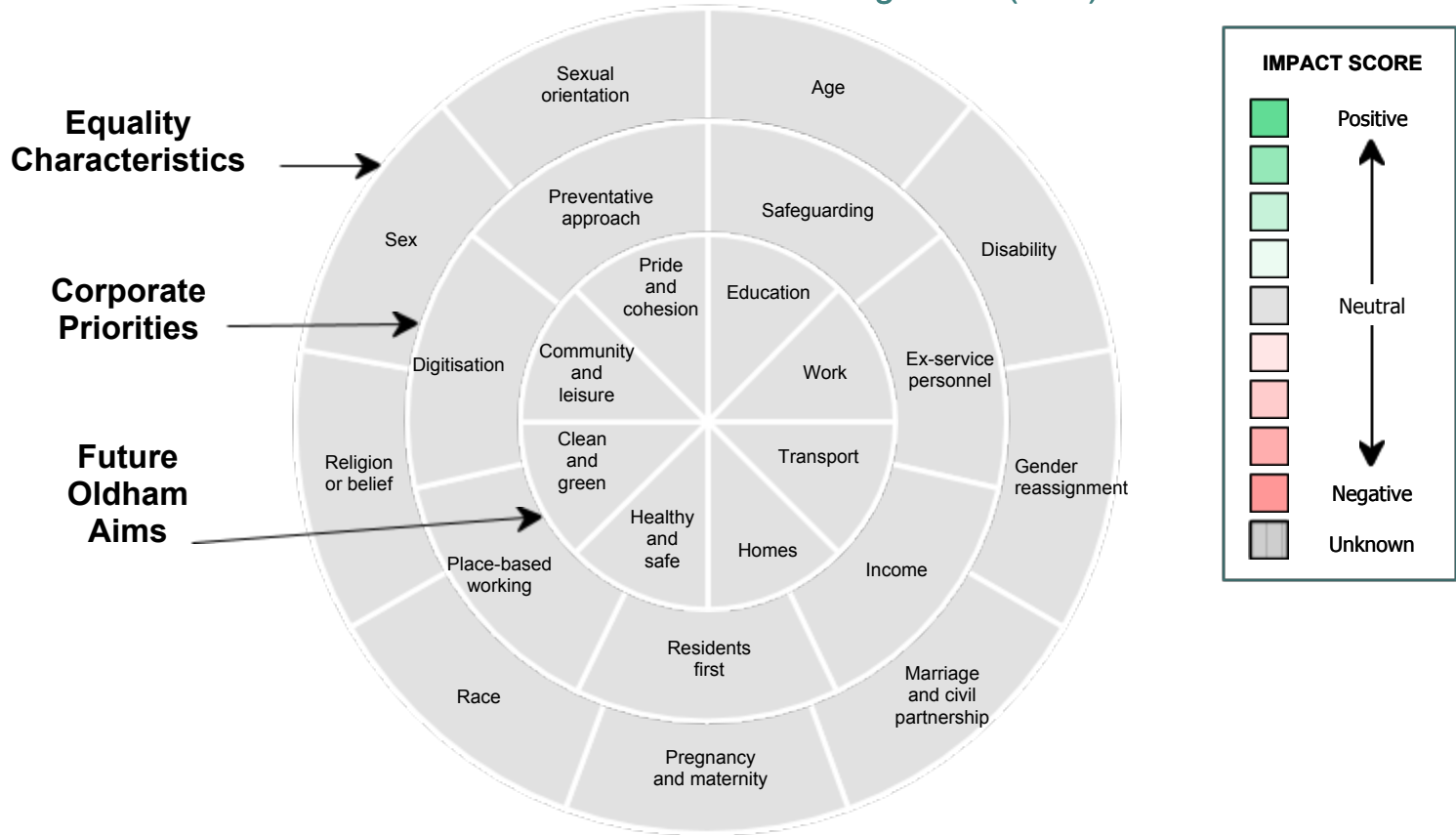
(subject to rounding – tolerance +/- £1k)

<b>FINANCING BUDGETS TO BE REPROFILED AS AT 30 JUNE 2023</b>		<b>2023/24</b>	<b>2024/25</b>	<b>2025/26</b>	<b>2026/27</b>	<b>2027/28</b>	<b>Total</b>
Grant & Other Contributions		11,159	(7,845)	(4,499)	965	-	(220)
Prudential Borrowing		7,028	1,069	(6,241)	(829)	(1,027)	-
Revenue Contributions		-	-	-	-	-	-
Capital Receipts		996	(629)	(368)	-	-	-
<b>Grand Total</b>		<b>19,183</b>	<b>(7,404)</b>	<b>(11,107)</b>	<b>135</b>	<b>(1,027)</b>	<b>(220)</b>

(subject to rounding – tolerance +/- £1k)



Annex 3- EIA: Financial Monitoring 23/24 (Q01)



Annex 3- EIA: Financial Monitoring 23/24 (Q01)				
	Impact	Likelihood	Duration	Comment
<b>Equality Characteristics</b>				
Age	Neutral	Possible	Short Term	The report considers the 2023/24 financial position of the Council at Quarter 1 (30 June 2023) and as such, in isolation has no direct impact on Equality
Disability	Neutral	Possible	Short Term	As Above
Gender reassignment	Neutral	Possible	Short Term	As Above
Marriage and civil partnership	Neutral	Possible	Short Term	As Above
Pregnancy and maternity	Neutral	Possible	Short Term	As Above
Race	Neutral	Possible	Short Term	As Above
Religion or belief	Neutral	Possible	Short Term	As Above
Sex	Neutral	Possible	Short Term	As Above
Sexual orientation	Neutral	Possible	Short Term	As Above
<b>Corporate Priorities</b>				
Safeguarding	Neutral	Possible	Short Term	The report considers the 2023/24 financial position of the Council at Quarter 1 (30 June 2023) and as such, in isolation has no direct impact on Equality
Ex-service personnel	Neutral	Possible	Short Term	As Above
Income	Neutral	Possible	Short Term	As Above
Residents first	Neutral	Possible	Short Term	As Above
Place-based working	Neutral	Possible	Short Term	As Above
Digitisation	Neutral	Possible	Short Term	As Above
Preventative approach	Neutral	Possible	Short Term	As Above
<b>Future Oldham Aims</b>				
Education	Neutral	Possible	Short Term	The report considers the 2023/24 financial position of the Council at Quarter 1 (30 June 2023) and as such, in isolation has no direct impact on Equality
Work	Neutral	Possible	Short Term	As Above
Transport	Neutral	Possible	Short Term	As Above
Homes	Neutral	Possible	Short Term	As Above
Healthy and safe	Neutral	Possible	Short Term	As Above
Clean and green	Neutral	Possible	Short Term	As Above
Community and leisure	Neutral	Possible	Short Term	As Above
Pride and cohesion	Neutral	Possible	Short Term	As Above

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## GOVERNANCE, STRATEGY AND RESOURCES SCRUTINY BOARD

### WORK PROGRAMME 2023/24

Thursday 22 June 2023	Performance Report Quarter 4 – 2022/23	To scrutinise the Council's performance against agreed performance measures	Portfolio – Leader of the Council. Assistant Chief Executive.	Service performance reporting
	Absence Trends Across the Authority	To scrutinise sickness levels and undelying issues, across the Council	Portfolio – Leader of the Council. Assistant Chief Executive.	Service performance reporting
Thursday 5 October 2023	Performance Report – Quarter 1, 2023/24	To scrutinise the Council's performance against agreed performance measures	Portfolio – Leader of the Council. Assistant Chief Executive.	Service performance reporting
	Local Government Ombudsman – Annual Report	To scrutinise the Council's position regarding complaints and complaints pursued through to the Ombudsman.	Portfolio – Finance and Low Carbon. Anne Ryans, Director of Finance/Paul Entwistle, Director of Legal Services	Consideration of Annual Report
	Treasury Management Quarter One Report 2023/24	Review of treasury management performance in 2023/24 (Quarter 1: April – June 2023)	Portfolio – Finance and Corporate Services  Anne Ryans, Director of Finance.	Budget performance reporting
	Treasury Management 2022-23 Review	Review of performance in 2022/23	Portfolio – Finance and Corporate Services	Budget performance reporting

			Anne Ryans, Director of Finance.	
	Revenue Monitor and Capital Investment Programme 2023/24 Quarter 1	To scrutinise the Council's financial performance against the agreed Budget.	Portfolio – Finance and Low Carbon. Anne Ryans, Director of Finance.	Budget performance reporting
	Update on contract monitoring within the Council for a selected operational area (report on the performance of E-on)	Scrutiny of the street lighting contract that the Council has with Eon	Scrutiny of the street lighting contract that the Council has with Eon	
Thursday, 14 <sup>th</sup> December 2023	Performance report – Quarter 2, 2023/24	To scrutinise Council performance against agreed performance measures.	Portfolio – Leader of the Council. Assistant Chief Executive.	Service performance reporting
	Update on Implementation of the Housing Strategy	Updates on delivery of the Strategy, including Brownfield Sites, Provision against demand, Affordable Housing, Land retention and Performance of External Providers	Portfolio – Regeneration and Housing. Executive Director Place and Economic Growth  Bryn Cooke, Head of Housing	Service performance reporting
	Update on contract monitoring within the Council for a selected operational area (report on the performance of E-on)	Scrutiny of the street lighting contract that the Council has with Eon	Portfolio – Neighbourhoods  Director of Environment	Service performance reporting

	Corporate Health and Safety Policy	To scrutinise the Council's health and safety arrangements	Portfolio – Neighbourhoods Executive Director – Place & Economic Growth Neil Crabtree - Head of Service	Service Performance reporting
	Miocare Group – Annual report	To scrutinise the performance of the MioCare Group	Portfolio – Health and Social Care Deputy Chief Executive.  Rob Jackson, Managing Director, MioCare Group	Annual Report consideration/service performance reporting
	Revenue Monitor and Capital Investment Programme 2023/24 Quarter 2	To scrutinise the Council's financial performance against the agreed Budget.	Portfolio – Finance and Low Carbon. Anne Ryans, Director of Finance.	Budget performance reporting
	Partnership Risk Dashboard	To assess the overall risk on partnerships to the Council.	Portfolio – Finance and Low Carbon. Anne Ryans, Director of Finance. Mark Stenson, Assistant Director Corporate Governance and Strategic Financial Management.	Budget performance reporting
	Review of Oldham Community Leisure and the operation of the Leisure Contract		Portfolio – Culture and Leisure Deputy Chief Executive. Neil Consterdine, Assistant Director Youth, Leisure and Communities	Scrutiny of performance as presented in the Annual Report
Thursday 25 January 2024	Administration Budget			

Thursday 8 February 2024	Opposition Budget			
	Performance report Quarter 3, 2023/24	To scrutinise Council performance against agreed performance measures	Portfolio – Leader of the Council. Assistant Chief Executive.	Service performance reporting.
	Revenue Monitor and Capital Investment Programme 2023/24 Quarter 3	To scrutinise the Council's financial performance against the agreed Budget.	Portfolio – Finance and Low Carbon. Anne Ryans, Director of Finance.	Budget performance reporting

### PENDING ISSUES

The impact of the proposed health integration on the Council and its future operations.	To be confirmed	Budget and Performance Monitoring.
Employment and Skills – draft action plan	Possibly October or December 2023	Scrutiny of action plan. Jon Bloor – Assistant Director (Economic Growth)
Update on contract monitoring within the Council for a selected operational area	Appropriate Portfolio Holder and Director responsible for the Service.	Issues and scheduling to be determined by the Committee

**KEY DECISION DOCUMENT – COVERING DECISIONS TO BE TAKEN FROM 18 SEPTEMBER 2023**

Key Decision Reference	Subject Area For Decision	Led By	Decision Date	Decision Taker
<b>New!</b>	Special education needs and/or disabilities (SEND) & Inclusion Strategy 2023 - 2027		September 2023	Cabinet
Description: Document(s) to be considered in public or private:				
	Report of the Director of Finance – Treasury Management 2023/24 – Quarter 1 Report	Director of Finance	September 2023	Cabinet
Description: The Quarter 1 review of Treasury Management activity during the first Quarter of 2023/24. Document(s) to be considered in public or private: Proposed Report Title: Report of the Director of Finance – Treasury Management Review 2023/24 – Quarter 1 Report Background Documents: Appendices Report to be considered in Public				
	Service Level Agreement with Miocare Group CIC	Director of Adult Social Care (DASS)	September 2023	Cabinet
Description: The report seeks approval on the implementation of a refreshed Service Level Agreement with Miocare Group CIC, for a range of services provided.  The report also seeks a commitment for wider Council colleagues to work with Miocare Group CIC to develop Service Level Agreements and specifications of requirements for those corporate services that Miocare Group CIC “buys back” from the Council.  Document(s) to be considered in public or private: Cabinet report, Impact assessment, Service Level Agreement. Private due to commercial interests of the Council and Miocare Group CIC				

**KEY DECISION DOCUMENT – COVERING DECISIONS TO BE TAKEN FROM 18 SEPTEMBER 2023**

Key Decision Reference	Subject Area For Decision	Led By	Decision Date	Decision Taker
	Report of the Director of Finance – To Procure Digital Process Automation Services for Revenues and Benefits	Director of Finance	Before October 2023	Cabinet Member - Finance and Corporate Resources
Description: A report that seeks approval for the purchase of a Digital Process Automation Service for Revenues and Benefits Document(s) to be considered in public or private: Report to be considered in Private				
Page 124	Places for Everyone Plan: A Joint Development Plan Document for 9 Greater Manchester Local Authorities (Bolton, Bury, Manchester, Oldham, Rochdale, Salford, Tameside, Trafford and Wigan) - Proposed Modifications Consultation	Executive Director for Place & Economic Growth	October 2023	Cabinet
Description: Approval, and publication, of proposed modifications to Places for Everyone Plan: A Joint Development Plan Document for 9 Greater Manchester Local Authorities (Bolton, Bury, Manchester, Oldham, Rochdale, Salford, Tameside, Trafford and Wigan) for consultation. Document(s) to be considered in public or private:				
<b>New!</b>	Waste Collection Service	Executive Director for Place & Economic Growth	October 2023	Cabinet Member - Neighbourhoods
Description: Review of Waste Collection Service for domestic and trade. Document(s) to be considered in public or private: N/A				



**KEY DECISION DOCUMENT – COVERING DECISIONS TO BE TAKEN FROM 18 SEPTEMBER 2023**

<b>Key Decision Reference</b>	<b>Subject Area For Decision</b>	<b>Led By</b>	<b>Decision Date</b>	<b>Decision Taker</b>
TBC	Oldham Theatre Planning Application	Director of Economy	October 2023	Cabinet Member - Business, Employment and Enterprise
Description: Submission of a planning application for the proposed Oldham Theatre Document(s) to be considered in public or private: Planning application (public)				
TBC	Cultural Quarter Public Realm Planning Application	Director of Economy	October 2023	Cabinet Member - Business, Employment and Enterprise
Description: Planning application for the proposed Cultural Quarter Public Realm Document(s) to be considered in public or private: Planning application (public)				
<b>New!</b>	VCFSE Investment Fund (One Oldham Fund)	Director of Public Health	October 2023	Cabinet Member - Health and Social Care
Description: Decision to invest Covid Outbreak Management Fund (COMF) into the One Oldham Fund. Document(s) to be considered in public or private:				
<b>New!</b>	Rubrik Air Gap Backup Solution		October 2023	Cabinet
Description: Document(s) to be considered in public or private:				

**KEY DECISION DOCUMENT – COVERING DECISIONS TO BE TAKEN FROM 18 SEPTEMBER 2023**

Key Decision Reference	Subject Area For Decision	Led By	Decision Date	Decision Taker
<b>New!</b>	Rubrik Air Gap Backup Solution (Part B)		October 2023	Cabinet
Description: Document(s) to be considered in public or private:				
	Carriageway Investment Funding	Director of Environment	October 2023	Cabinet
Description: Additional funding for carriageway surfacing/treatments Document(s) to be considered in public or private:				
	Creating a Better Place - Q2 Update	Executive Director for Place & Economic Growth	October 2023	Cabinet
<p>Description: On 25th July 2022 Cabinet gave delegated approval to enter into a design and build contract for the Spindles Market and Events Project following completion of the second stage tender period with Willmott Dixon Construction (WDC).</p> <p>Following significant progress it is anticipated OMBC will now be in a position to enter contract for the above project in October 2023. The purpose of this report is to update Cabinet on the progress made, current project and budget status and seek approval to enter into the contract with Willmott Dixon Construction in October 2023 for the delivery of the Spindles, Market, Events and Archive project.</p> <p>Document(s) to be considered in public or private: Cabinet report - private: Paragraph(s) 3 of Part 1 of Schedule 12A of the Local Government Act 1972 and it is not in the public interest to disclose the information because it relates to the financial or business affairs of the Council and a third party.</p>				
(HSC-14-23) <b>New!</b>	Market Sustainability and Improvement Fund - Workforce Fund		October 2023	Cabinet

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**KEY DECISION DOCUMENT – COVERING DECISIONS TO BE TAKEN FROM 18 SEPTEMBER 2023**

<b>Key Decision Reference</b>	<b>Subject Area For Decision</b>	<b>Led By</b>	<b>Decision Date</b>	<b>Decision Taker</b>
Description: Document(s) to be considered in public or private:				
	Future Commissioning intentions for the Hospital to Home Service (Care at Home)		November 2023	Cabinet
Description: Document(s) to be considered in public or private:				
	Care at Home Market Changes.		November 2023	Cabinet
Description: Document(s) to be considered in public or private:				
	Sustainable Oldham Strategic Partnership Agreement	Director of Economy	November 2023	Cabinet
Description: A new single Partnership Agreement to award Transport related civil engineering projects for City Region Sustainable Transport Settlement (CRSTS) bids, Levelling Up 2 bids and other related civil engineering related projects. Document(s) to be considered in public or private: Cabinet report to follow				
<b>New!</b>	Gallery Oldham 'Priority Maintenance Works'		November 2023	Cabinet
Description: Document(s) to be considered in public or private:				
	Report of the Director of Finance – Proposed Consultation for the Council Tax Reduction Scheme 2024/25	Director of Finance	November 2023	Cabinet

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**KEY DECISION DOCUMENT – COVERING DECISIONS TO BE TAKEN FROM 18 SEPTEMBER 2023**

Key Decision Reference	Subject Area For Decision	Led By	Decision Date	Decision Taker
	<p>Description: To update on the proposed consultation process to be undertaken by the Council with regard to the 2024/25 Council Tax Reduction Scheme.                      Document(s) to be considered in public or private: Proposed Report Title:                      Report of the Director of Finance – Proposed Consultation for the Council Tax Reduction Scheme 2024/25</p> <p>Background Documents: Appendices – Various</p> <p>Report to be considered in Public</p>			
Page 128	Report of the Director of Finance – Treasury Management Strategy Mid -Year Review 2023/24	Director of Finance	November 2023	Cabinet
	<p>Description: Review of the performance for the first half of the financial year in relation to the Treasury Management Strategy for 2023/24.                      Document(s) to be considered in public or private: Proposed Report Title:                      Report of the Director of Finance – Treasury Management Strategy Mid-Year Review 2023/24.</p> <p>Background Documents: Appendices</p> <p>Report to be considered in Public</p>			
	Report of the Director of Finance – Revenue Monitor and Capital Investment Programme 2023/24 Quarter 2	Director of Finance	November 2023	Cabinet

**KEY DECISION DOCUMENT – COVERING DECISIONS TO BE TAKEN FROM 18 SEPTEMBER 2023**

Key Decision Reference	Subject Area For Decision	Led By	Decision Date	Decision Taker
	<p>Description: The report provides an update on the Council’s 2023/24 forecast revenue budget position and the financial position of the capital programme as at the period ending 30 September 2023 (Quarter 2)</p> <p>Document(s) to be considered in public or private: Proposed Report Title:</p> <p>Report of the Director of Finance – Revenue Monitor and Capital Investment Programme 2023/24 Quarter 2</p> <p>Background Documents: Appendices – Various</p> <p>Report to be considered in Public</p>			
Page 129	Report of the Director of Finance – Council Tax Reduction Scheme 2024/25	Director of Finance	December 2023	Cabinet
	<p>Description: To determine the Council Tax Reduction Scheme for 2024/25</p> <p>Document(s) to be considered in public or private: Proposed Report Title:</p> <p>Report of the Director of Finance – Council Tax Reduction Scheme 2024/25</p> <p>Background Documents: Appendices – Various</p> <p>Report to be considered in Public</p>			
	Report of the Director of Finance and Director of Education, Skills and Early Years – Schools Funding Formula	Director of Finance	December 2023	Cabinet

**KEY DECISION DOCUMENT – COVERING DECISIONS TO BE TAKEN FROM 18 SEPTEMBER 2023**

Key Decision Reference	Subject Area For Decision	Led By	Decision Date	Decision Taker
<p>Description: Schools funding formula for 2024/25 in relation to the National Funding Formula                      Document(s) to be considered in public or private: Report of the Director of Finance and Director of Education, Skills and Early Years – Schools Funding Formula</p> <p>Background documents: Various Appendices</p> <p>Report to be considered in public.</p>				
Page 150	Adoption and publication of Oldham Council's Social Value Policy	Deputy Chief Executive -	December 2023	Cabinet
<p>Description: To approve the adoption and publication of a corporate social value policy to support Oldham Council and the wider Borough.</p> <p>Document(s) to be considered in public or private: Social Value Policy - Public</p>				
	Alexandra Park Eco Centre Update	Director of Economy	January 2024	Cabinet
<p>Description: Update regarding the new Eco Centre at Alexandra Park Depot.</p> <p>Document(s) to be considered in public or private: Cabinet Report (Private). Restricted Paragraph Part 3 report</p>				
	Report of the Director of Finance Budget 2024/25 – Determination of the Tax Bases for Council Tax Setting and for Business Rates Income Purposes	Director of Finance	January 2024	Cabinet

**KEY DECISION DOCUMENT – COVERING DECISIONS TO BE TAKEN FROM 18 SEPTEMBER 2023**

Key Decision Reference	Subject Area For Decision	Led By	Decision Date	Decision Taker
Page 131	<p>Description: The Determination of the Tax Bases for Council Tax Setting and for Business Rates Income for use in 2024/25 budget deliberations.                      Document(s) to be considered in public or private: Proposed Report Title:                      Report of the Director of Finance                      Budget 2024/25 – Determination of the Tax Bases for Council Tax Setting and for Business Rates Income Purposes</p> <p>Background Documents: Appendices - Various</p> <p>Report to be considered in Public</p>			
	<p>Oldham Council’s inclusion within the Greater Manchester Business Rates Pool 2024/25.</p>	<p>Director of Finance</p>	<p>January 2024</p>	<p>Cabinet Member - Finance and Corporate Resources</p>
	<p>Description: The report seeks formal approval for the Council’s inclusion in the Greater Manchester Business Rates Pool for the financial year 2024/25.                      Document(s) to be considered in public or private: Proposed Report Title:                      Oldham Council’s inclusion within the Greater Manchester Business Rates Pool 2024/25</p> <p>Background Documents: Various Appendices</p> <p>Report to be considered in Public</p>			

**KEY DECISION DOCUMENT – COVERING DECISIONS TO BE TAKEN FROM 18 SEPTEMBER 2023**

Key Decision Reference	Subject Area For Decision	Led By	Decision Date	Decision Taker
	Non-Domestic Rates Tax Base 2024/25	Director of Finance	January 2024	Cabinet Member - Finance and Corporate Resources
<p>Page 13</p>	<p>Description: Report setting out information to determine the Non-Domestic (Business Rates) Tax Base for 2024/25, using the most up to date information and estimates available.                      Document(s) to be considered in public or private: Proposed report title: Non-Domestic Rates Tax Base 2024/25                      Background Documents: Various Appendices and Council Tax Tax Base and Non-Domestic Rates Tax Base Forecast 2024/25 (Presented to Cabinet on 22 January 2024)                      Report to be considered in Public</p>			
		Report of the Director of Finance – Treasury Management Strategy Statement 2024/25	Director of Finance	February 2024
<p>Page 13</p>	<p>Description: To consider the Council’s Treasury Management Strategy for 2024/25 - including Minimum Revenue Provision Policy Statement, Annual Investment Strategy and Prudential Indicators                      Document(s) to be considered in public or private: Proposed Report Title:                      Report of the Director of Finance – Treasury Management Strategy Statement 2024/25                      Background Documents: Appendices                      –Report to be considered in Public</p>			



**KEY DECISION DOCUMENT – COVERING DECISIONS TO BE TAKEN FROM 18 SEPTEMBER 2023**

Key Decision Reference	Subject Area For Decision	Led By	Decision Date	Decision Taker
	Report of the Director of Finance – Revenue Budget 2024/25 and Medium Term Financial Strategy 2024/25 to 2028/29	Director of Finance	February 2024	Cabinet
<p>Description: To consider the Administration’s detailed revenue budget for 2024/25 and budget reduction proposals, together with the Medium Term Financial Strategy for 2024/25 to 2028/29, incorporating the current policy landscape and Local Government Finance Settlement.</p> <p>Document(s) to be considered in public or private: Proposed Report Title: Report of the Director of Finance – Revenue Budget 2024/25 and Medium Term Financial Strategy 2024/25 to 2028/29</p> <p>Background Documents: Various appendices</p> <p>Report to be considered in Public</p>				
	Report of the Director of Finance – Capital Programme & Capital Strategy for 2024/25 to 2028/29	Director of Finance	February 2024	Cabinet
<p>Description: To consider the Council’s Capital programme and capital strategy.</p> <p>Document(s) to be considered in public or private: Proposed Report Title: Report of the Director of Finance – Capital Programme &amp; Capital Strategy for 2024/25 to 2028/29</p> <p>Background Documents: Appendices</p> <p>–Report to be considered in Public</p>				

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**KEY DECISION DOCUMENT – COVERING DECISIONS TO BE TAKEN FROM 18 SEPTEMBER 2023**

Key Decision Reference	Subject Area For Decision	Led By	Decision Date	Decision Taker
	Report of the Director of Finance – Revenue Monitor and Capital Investment Programme 2023/24 Month 8	Director of Finance	February 2024	Cabinet
Page 134	<p>Description: The report provides an update on the Council’s 2023/24 forecast revenue budget position and the financial position of the capital programme as at the period ending 30 November 2023 (Month 8)                      Document(s) to be considered in public or private: Proposed Report Title:                      Report of the Director of Finance – Revenue Monitor and Capital Investment Programme 2023/24 Month 8                      Background Documents: Appendices – Various                      Report to be considered in Public</p>			
		Joint Report of the Executive Director Place and Economic Growth and Director of Finance – Housing Revenue Account Estimates for 2024/25 to 2028/29 and Projected Outturn for 2023/24.	Director of Finance, Executive Director for Place & Economic Growth	February 2024
	<p>Description: The Housing Revenue Account (HRA) Outturn Estimates for 2023/24, the detailed budget for 2024/25 and the Strategic HRA Estimates for the four years 2025/26 to 2028/2                      Document(s) to be considered in public or private: Proposed Report Title: Housing Revenue Account Estimates for 2024/25 to 2028/29 and Projected Outturn for 2023/24                      Background Documents: Appendices                      –Report to be considered in Public</p>			

**KEY DECISION DOCUMENT – COVERING DECISIONS TO BE TAKEN FROM 18 SEPTEMBER 2023**

Key Decision Reference	Subject Area For Decision	Led By	Decision Date	Decision Taker
	Report of the Director of Finance – Revenue Monitor and Capital Investment Programme 2023/24 Quarter 3	Director of Finance	March 2024	Cabinet
<p>Description: The report provides an update on the Council’s 2023/24 forecast revenue budget position and the financial position of the capital programme as at the period ending 31 December 2023 (Quarter 3)                      Document(s) to be considered in public or private: Proposed Report Title:                      Report of the Director of Finance – Revenue Monitor and Capital Investment Programme 2023/24 Quarter 3</p> <p>Background Documents: Appendices – Various</p> <p>Report to be considered in Public</p>				
Page 135	Report of the Director of Finance - Local Taxation and Benefits Discretionary Policies 2024/25	Director of Finance	March 2024	Cabinet
<p>Description: To confirm the Council’s Local Taxation and Benefits Discretionary Policies for 2024/25                      Document(s) to be considered in public or private: Proposed Report Title: Local Taxation and Benefits Discretionary Policies 2024/25</p> <p>Background Documents: Appendices</p> <p>Report to be considered in public</p>				
	Report of the Director of Finance – Treasury Management 2023/24 – Quarter 3 Report	Director of Finance	March 2024	Cabinet

## KEY DECISION DOCUMENT – COVERING DECISIONS TO BE TAKEN FROM 18 SEPTEMBER 2023

Key Decision Reference	Subject Area For Decision	Led By	Decision Date	Decision Taker
<p>Description: The Quarter 3 review of Treasury Management activity during the third Quarter of 2023/24.  Document(s) to be considered in public or private: Proposed Report Title:  Report of the Director of Finance – Treasury Management Review 2023/24 – Quarter 3 Report</p> <p>Background Documents: Appendices</p> <p>Report to be considered in Public</p>				

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### Key:

**New!** - indicates an item that has been added this month

### Notes:

1. The procedure for requesting details of documents listed to be submitted to decision takers for consideration is to contact the Contact Officer contained within the Key Decision Sheet for that item. The contact address for documents is Oldham Council, Civic Centre, West Street, Oldham, OL1 1UH. Other documents relevant to those matters may be submitted to the decision maker.
2. Where on a Key Decision Sheet the Decision Taker is Cabinet, the list of its Members are as follows: Councillors Arooj Shah, Elaine Taylor, Shaid Mushtaq, Abdul Jabbar MBE, Chris Goodwin, Fida Hussain, Barbara Brownridge, Mohon Ali and Peter Dean.
3. Full Key Decision details (including documents to be submitted to the decision maker for consideration, specific contact officer details and notification on if a report is likely to be considered in private) can be found via the online published plan at:  
<http://committees.oldham.gov.uk/mgListPlans.aspx?RPId=144&RD=0>